

# Cornerstone Securities LLC

CRD 140379

This brochure provides information about our investment advisory business practices. If you have any questions about the contents of this brochure, please contact us. The brochure has not been approved by the Securities and Exchange Commission or any state securities authority.

(March 30, 2022)

6710 W 121<sup>st</sup> St.  
Overland Park, KS. 66209  
913-538-5483

Clients can request a copy of our brochure at any time by contacting us at 913-538-5483. Additional information about Cornerstone Securities, LLC. is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Cornerstone Securities, LLC who are registered, or are required to be registered, as investment adviser representatives of Cornerstone Securities, LLC. Registration does not imply a certain level of skill or training.<sup>2</sup>

## **MATERIAL CHANGE**

This section applies only to specific material changes that Cornerstone makes. Cornerstone will provide you with a summary of such changes. We will also reference the date of the last annual update or the date we made changes to the brochure. We will further provide clients with a new brochure as necessary based on changes or new information, at any time, without charge.

Annual Filing

## TABLE OF CONTENTS

<b>1. COVER PAGE .....</b>	<b>1</b>
<b>2. MATERIAL CHANGE .....</b>	<b>2</b>
<b>3. TABLE OF CONTENTS .....</b>	<b>3</b>
<b>4. ADVISORY BUSINESS .....</b>	<b>4</b>
4.1 TYPES OF ADVISORY SERVICES WE OFFER.....	4
4.2 AMOUNT OF CLIENT ASSETS.....	5
4.3 PRINCIPAL OWNER AND IARS.....	5
<b>5. FEES AND COMPENSATION .....</b>	<b>6</b>
<b>6. PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....</b>	<b>7</b>
<b>7. TYPES OF CLIENTS .....</b>	<b>7</b>
<b>8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS.....</b>	<b>7</b>
<b>9. DISCIPLINARY INFORMATION .....</b>	<b>7</b>
<b>10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS .....</b>	<b>7</b>
<b>11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING .....</b>	<b>8</b>
11.1 CODE OF ETHICS .....	8
11.2 PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS .....	8
11.3 PERSONAL TRADING .....	9
<b>12. BROKERAGE PRACTICES .....</b>	<b>9</b>
12.1 SOFT DOLLAR PRACTICES.....	9
12.2 CLIENT REFERRALS .....	9
12.3 DIRECTED BROKERAGE.....	9
12.4 TRADE AGGREGATION .....	9
<b>13. REVIEW OF ACCOUNTS .....</b>	<b>9</b>
<b>14. CLIENT REFERRALS AND OTHER COMPENSATION .....</b>	<b>10</b>
<b>15. CUSTODY .....</b>	<b>10</b>
<b>16. INVESTMENT DISCRETION .....</b>	<b>10</b>
<b>17. VOTING CLIENT SECURITIES .....</b>	<b>10</b>
<b>18. FINANCIAL INFORMATION .....</b>	<b>11</b>
<b>19. REQUIREMENTS FOR STATE REGISTERED ADVISORS .....</b>	<b>11</b>

## **4. ADVISORY BUSINESS**

Cornerstone Securities LLC (also referred to in this document as “Cornerstone” or “we”, “We”) is a registered investment advisory firm providing investment advisory related products and services since 2006.

Cornerstone, through its Investment Adviser Representatives (“IARs”), provides:

- IAR directed asset management services for the client accounts held at TD Ameritrade and Charles Schwab;
- Selection of advisory programs or services directed by third party investment advisory firms and REITs; and
- Financial planning or consulting services.

Please note that Cornerstone does not hold itself out as specializing in a particular type of advisory product or service.

### **4.1 Types of Advisory Services We Offer**

In this section, we provide an explanation regarding each type of advisory product and service we offer to our clients. Please feel free to ask your Cornerstone Representative questions regarding this information.

#### **4.1.1 IAR Directed Asset Management Services**

When clients wish to have their assets managed by investing them in securities, clients enter into an IAR Directed Asset Management Services arrangement.

Under this arrangement, IARs will meet with clients to analyze their needs to determine if this type of advisory-client arrangement is appropriate by collecting the client’s financial information including the client’s suitability information. When it has been determined that this type of arrangement is appropriate, the IAR recommends the client to open an account to hold the assets and execute securities transactions with TD Ameritrade or Charles Schwab. These are considered a service arrangement. Under this arrangement, Cornerstone and IARs act only in an investment advisor capacity. The culmination of this process may tailor this service to the individual needs of clients. Client may impose restrictions on investing in certain securities or types of securities. To do this the client must submit these restrictions in writing to the advisor.

Based on the information provided by the client, the IAR assists the client in determining a suitable investment(s) for the client’s assets in the account. The IAR helps the clients select investments in various asset types and specific securities, such as stocks, bonds, exchange traded funds, open-end funds, closed-end funds, etc.

The IAR can make investment decisions regarding the selection of securities types and specific securities in the client’s account (aka discretionary trading authorization or investment discretion). (Please refer to section 16 of this document for more information regarding investment discretion.)

For the client who selects the firm’s service agreement arrangement, a custodian(s), such as TD Ameritrade or Charles Schwab, holds the clients’ funds and securities. The custodian(s) will also execute and clear all transactions. They maintain sole custody of assets in the account and perform custody functions, such as crediting of interest and dividends in the account, assets and other custodial functions customarily performed with respect to securities brokerage accounts.

#### **4.1.2 Selection of Advisory Programs or Services Sponsored by Third Parties and REIT**

Cornerstone maintains agreements (also known as “solicitor’s agreement”) with unaffiliated third party advisory firms and REITs for the purpose of having their products and services available to clients. Under the arrangement, IARs meet with clients to analyze the client’s need(s) of third party advisory programs or services and/or REITs by collecting the client’s financial information including the client’s suitability.

Based on the information provided by the client, the IAR assists the client in the selection of advisory programs or services offered by unaffiliated third party investment advisory firms and/or REITs. In general, the client in conjunction with the IARs recommendation makes initial decisions, such as selecting third party investment adviser(s), its specific investment style(s), strategies, and/or model portfolio(s) and/or REITs. However, the third party investment adviser and/or REIT advisor will make ongoing investment decisions of selecting securities types and/or specific securities in the client account in accordance with their investment strategies or models addressed in their disclosure document.

Under this arrangement, neither Cornerstone nor IARs make any custody arrangement for clients’ funds and securities. Each third party investment advisory firm and REIT makes custody arrangements. The custodian holds clients’ funds and securities. Please note that neither Cornerstone nor its IARs participate in any securities transactions. If and when clients are referred to third party money managers, those advisors will be registered or on notice where clients reside. In this arrangement Cornerstone Securities receives a portion of the fee charged by the third party investment advisor. Cornerstone

Securities does not participate wrap fee programs.

#### 4.1.3 Financial Planning or Consulting Services

When clients wish to consult about financial planning, or any related issues, the client enters into the firm's financial planning arrangement with IARs for such services.

Under the financial planning or consulting services arrangement, IARs meet with clients to analyze the client's need(s) of financial planning or consulting services. When determined that the client is in need of such service, Cornerstone's IARs collect extensive financial information, such as past financial history, present financial position, and the financial goals the client wishes to achieve. Financial planning is offered as a comprehensive service based on the goals of the client. For billing purposes, maximum amount of hours billable to the client is 25. Based on the information provided by the client, the IAR provides advice on one or more of the following areas, but not limited to:

- Portfolio review and asset allocation service
- Tax planning
- Retirement planning
- Education planning
- Estate planning

Please note that neither Cornerstone nor its IARs offer any tax or legal services. Therefore, clients should discuss such matters with their independent tax or legal advisor. Furthermore, under this arrangement, neither Cornerstone nor IARs give any specific securities recommendations. The client is responsible for making investments and investment decisions based on the IARs recommendations. Additionally, these services may be comprehensive or a la carte. Additionally, clients should understand:

- a conflict exists between the interests of the investment adviser and the interests of the client,
- the client is under no obligation to act upon the investment adviser's recommendation, and
- if the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through the investment adviser.

Please note that certain Cornerstone IARs are also registered with a broker-dealer as the broker-dealer's representative ("RR"), therefore if the IAR makes specific securities product recommendations to implement financial plans or consulting services, the IAR is giving such recommendations separately from the financial plan or consulting service. In this case, the IAR may be acting in the capacity of a securities broker-dealer registered representative and/or as an IAR. In other words, the IAR may also be acting as a registered representative of a securities broker-dealer. Clients should understand their relationship with their Cornerstone representative. Their relationship could be based on:

- Advisory service provider and client relationship with fee arrangement;
- Securities broker-dealer representative and client relationship with commission arrangement; or
- Both

Additionally, clients should understand:

- a conflict exists between the interests of the investment adviser and the interests of the client,
- the client is under no obligation to act upon the investment adviser's recommendation, and
- if the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through the investment adviser.

In order to avoid this conflict of interest, each IAR will explain how they are compensated. Dually registered IARs are prohibited from charging a fee for both services.

#### 4.2 Amount of Client Assets

As of March 2022, Cornerstone's IARs manage approximately \$78,000,000 on a discretionary basis. The amount of assets is based on the account closing balance obtained from the qualified custodian.

#### 4.3 Principal Owner and IARs

Russell E. Fieger is principal owner of Cornerstone Securities LLC.

Born: 1969

Education: Bachelor of Science; University of Kansas, Lawrence Kansas; Major: Journalism

Work Experience: Cornerstone Securities–April 2006 to Present; Crown Capital Securities– July 2012–present;

Brookstone Securities–March 2006 – June 2012

## 5. FEES AND COMPENSATION

### For IAR Directed Asset Management Services

Clients pay Cornerstone and IARs the asset based Advisory Fee (“Advisory Fee”) up to 2% of the account balance for services performed in connection with the program. Clients can negotiate their Advisory Fee with IARs. The Advisory Fee should not exceed 2% of the account balance. Neither Cornerstone nor IARs will charge the Advisory Fee based in any manner or respect to capital gains or capital appreciation of assets in the account.

For the accounts held at TD Ameritrade or Charles Schwab, Cornerstone calculates the Advisory Fee based on the previous month or quarter ending account value. In other words, the Advisory Fee will be calculated and charged either monthly or quarterly in advance. On termination, Cornerstone will refund the client for any unused portion of the Advisory Fee. Termination may be made by Cornerstone or the client with 30 days written notice.

If clients execute the advisory agreement at any time other than on the first day of a calendar month or quarter, Cornerstone will calculate and charge the client for a pro-rated initial Advisory fee. In other words, the initial payment will be pro-rated if this agreement is executed at any time other than on the first day of a calendar month or quarter. The custodian will deduct the client’s fee(s) from their account at the agreed upon rate unless client and Cornerstone agree to bill the client directly.

In addition to the Advisory Fee, clients may pay other charges or fees, such as:

- Ticket charges
- Mutual fund distribution fees
- IRA or qualified retirement plan fees
- Custodian fees
- Contingent deferred sales charge
- Account closing fees
- Annual maintenance fees

For any charges associated with maintaining the account with a specific custodian, refer to the document provided by such entity prior to or at the time the account was opened.

### Selection of Advisory Programs or Services Offered by Third Party Investment Advisory And/or REITs

Under this arrangement, clients pay third party investment advisers and/or REITs, program fees including advisory and other fees, as disclosed in the advisory agreement or disclosure document (also known as Brochure) or prospectus, for services performed in connection with the third party investment adviser’s products or services. Cornerstone and its IARs receive referral fees from the third party investment adviser. Clients must also acknowledge such compensation arrangement by signing the third party investment advisor’s account opening documents. REIT transactions are done at NAV, in other words no commissions are paid.

### Financial Planning or Consulting Services

The IAR and the client will negotiate fees. In general, fees may be charged on an hourly basis up to \$500 an hour or on a flat-fee up to \$10,000. These are based on competitive market conditions in corresponding geographical areas. The amount of time to complete a plan is determined by the client’s goals, but under no circumstance shall exceed 25 hours. In the event of a flat or fixed fee, the advisor and client will come to an agreement in writing and signed by both advisor and client. This written agreement will detail exactly what services the client will receive for said fee. Generally, half the fee is payable upon signing of the agreement and the balance upon delivery of the services specified in the agreement. Client will not pay more the \$500 in advance. If the client implements the plan with the advisor, the planning fee will be waived if the advisor will compensated during implementation of the plan. However, the client has the option to implement with an advisor or agent not affiliated with the firm. In this event the planning fee will not be waived. Clients may terminate the arrangement without penalty within five (5) business days from the signing of the agreement unless the client has received the firm’s disclosure brochure at least 48 hours prior to signing the investment advisory contract.

## 6. PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Cornerstone does not charge any performance-based fees or fees based on a share of capital gains or capital appreciation of the assets of a client.

## 7. TYPES OF CLIENTS

Cornerstone provides its advisory services to individuals, high net worth individuals, private corporations, trusts, estates, and pension plans. There are no minimums, or requirements imposed on accounts by Cornerstone Securities.

## **8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

Cornerstone does not have any proprietary advisory programs or services directly sponsored by Cornerstone. Rather, Cornerstone provides advisory services through its IARs. Therefore, Cornerstone does not have any proprietary analysis or investment strategies or investment formula in providing or managing clients' accounts.

For IAR directed asset management services, each IAR will develop their own investment strategies or a group of portfolio strategies or asset allocation models based on each IARs research and analysis. IARs may use security analysis methods include charting, fundamental and technical. The main sources of information used by IARs usually include but not limited to technical market data provided by vendors, economic data provided by various sources, financial publications, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission and company press releases. The investment strategies used to implement any investment advice given to clients may include long and short term purchases, trading, short sales, margin transactions, options writing, including covered options, uncovered options or spread strategies. The strategies involved typically do not involve frequent trading, however, in certain market situations trading frequency could increase significantly and this activity could result in increased transaction costs and taxes. Investing in securities involves risk of loss that clients should be prepared to bear.

Please note that certain IARs recommend or implement investment strategies, such as tactical allocation or timing strategies, which require frequent trading of securities in the account. Frequent trading activities in the account do not guarantee profitability in the account. Frequent trading activities do not guarantee probability of making profits in the account either; rather, it can increase the overall risk. Since frequent trading incurs substantial transaction charges, such trading strategies could reduce the overall profitability in the account. Frequent trading activities also have tax ramifications. Cornerstone urges clients to consult with a competent tax advisor or tax consultant in this subject matter.

IARs may invest in mutual funds, exchange traded funds, stocks, and/or individual bonds. Risk of investing in bonds include the possibility of credit quality weakening and the value of the bond decreasing or the possibility of default meaning the entire value of the bond would be lost. Individual stocks involve risk of losing the entire value of the underlying security in the event the company or entity should fail. Mutual funds and exchange traded funds are less likely to face a complete loss of value due to the diversification of the position held, however, the value of these funds can go down and macro-economic conditions and sector specific conditions can adversely affect these securities.

## **9. DISCIPLINARY INFORMATION**

Bart A. Spachek entered into a consent agreement and order resulting from the marketing and sales practices of individuals selling renter's insurance policies in Nebraska and Kansas under Mr. Spachek's supervision. Although no consumers were harmed, directly by Mr. Spachek's conduct, and although such coverage is routinely bound prior to payment of premium, the commissioner found that Mr. Spachek placed the insurance company at risk of loss without a good faith content to collect and pay premium. Mr. Spachek was fined \$2,500.

In April 2006, clients executed an Investment Advisory Agreement with Cornerstone Securities LLC signed by Russell E. Fieger on behalf of Cornerstone, who served as the investment adviser representative on behalf of Cornerstone on the clients account. The Investment Advisory Agreement gave Cornerstone and Russell E. Fieger discretion to purchase and sell securities on behalf of the clients without prior consent. In June 2008, Russell E. Fieger began to purchase complex products known as leveraged exchange traded funds and leveraged-inverse exchange traded funds (ETFs) in the client accounts that he managed on behalf of the clients. Despite the abundance of warnings regarding the risks of nontraditional ETFs issued by FINRA in June 2009 through the Regulatory Notice 09-31 and the funds prospectuses, Russell E. Fieger placed a portion of the clients assets that he managed on behalf of the clients in leveraged and leveraged-inverse ETFs and held them for periods much longer than one day (in some instances, they were held for as long as 173 days). Due to such transactions, the clients suffered losses of \$253,876.19. Russell E. Fieger's purchases of two times leveraged and two times leveraged-inverse ETFs in the clients accounts constitute unsuitable recommendations and a breach of fiduciary duty and constituted grounds for discipline pursuant to K.S.A. 17- 12a412(d)(13) and on March 18, 2014, Russell E. Fieger was ordered by the Office of the Kansas Securities Commissioner to pay a total of \$86,600 in restitution to the clients. The consent order can be reviewed at: <http://www.ksc.ks.gov/ArchiveCenter/ViewFile/Item/625>

Alan Thomilson has two written complaints both regarding equity indexed annuities. The first complaint resulted in the insurance company returning the client's money to them in full. Mr. Thomilson did not contribute monetarily to this resolution. He was fined either. The second complaint alleges \$125,000 in damages due to allegedly misrepresenting the product. An arbitration panel awarded \$75,000 to the client. Mr. Thomilson was not fined, nor did he contribute monetarily to the award.

In March of 2003 a client wrote a complaint that alleged that his representative, Dennus Cooper, gave him incorrect advice regarding a lump sum distribution from his deferred compensation plan which resulted in tax consequences. Further, client alleged that an investment made was unsuitable which resulted in further losses. Representative responded that the lump sum distributions from deferred compensation plan were made prior to meeting and consulting with representative. Further, investment made which was unsuitable and resulted in further losses was made on an unsolicited basis and not recommended by the representative. Client alleged \$125,000 in compensatory damages. The complaint was settled through mediation at the request of the Broker Dealer in order to avoid additional legal fees for \$30,000 with an individual contribution amount from representative for \$5,000.

## **10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Cornerstone is actively engaged in selling products other than investment advice. The products consist of life insurance, annuities, and long term care insurance for which IARs would be paid a commission. Additionally, some Cornerstone IARs have arrangements that are material to its advisory business or its clients with Crown Capitol Securities, L.P., a registered broker-dealer. These IARs are registered representatives of Crown Capitol Securities, L.P. and commissions are paid for these activities. Neither Cornerstone nor any of its IARs is a general partner in any partnership in which clients are solicited to invest.

Mr. Fieger sells financial products consisting of life insurance, annuities, and long term care insurance, which is incidental to the financial planning and investment process. Additionally, he has arrangements that are material to his advisory business or its clients with Crown Capitol Securities, L.P., a registered broker-dealer. He is a registered representative of Crown Capitol Securities, L.P. and commissions are paid for these activities. Additionally, he is an IAR for Crown Capital Securities, L.P. His capacity as IAR at those firms may pose a conflict of interest as he may receive additional compensation in fees. To ensure that Crown Capital's capacity does not hinder IARs with Cornerstone in providing advisory services to their clients, Crown Capital does not promote or offer proprietary products, therefore allowing IARs to tailor investment programs according to their clients' objectives and needs.

In addition, for investment company products, including money market funds held at Crown Capital's clearing firm (Pershing), RRs who are affiliated with Crown Capital and are also IARs with Cornerstone, may receive additional compensation including trails such 12(b)-1 fees. Therefore, the additional compensation Crown Capital RRs (who are also IARs with Cornerstone) may receive will possibly pose a conflict of interest for Cornerstone and affiliated IARs to promote a certain clearing firm or broker-dealer for their client's assets to be held. To ensure that Crown Capital's capacity does not hinder IARs with Cornerstone in providing advisory services to their clients, Crown Capital does not promote or offer proprietary products, therefore allowing IARs to tailor investment programs according to their clients' objectives and needs.

### *Arrangement with Unaffiliated Third Party Investment Advisory Firms*

As mentioned in section 4 of this document, Cornerstone has selling agreements with various unaffiliated third party investment advisory firms for the purpose of having their programs or services available to our clients. (This type of program is also referred to as "Advisory programs or services offered by third party Investment Advisory firms" herein this document). Under this arrangement, Cornerstone and IARs receive compensation as a result of referring clients to third party advisory firms. Before selecting these other programs, Cornerstone Securities insures they are properly licensed and registered as an investment advisor.

Due to the fact that this agreement is strictly a referral arrangement, neither Cornerstone nor its IARs participates in or affects any decisions regarding securities transactions. In other words, the unaffiliated third party investment advisory firms independently make decisions on selecting specific types of securities or securities. Therefore, when/if Cornerstone restricts certain securities for transactions due to the fact that Cornerstone, its employees, IARs, or its associated persons may have obtained or possessed, intentionally or inadvertently, any material non-public information, Cornerstone will not share such restriction information with unaffiliated third party advisory firms. Consequently, third party advisory firms could affect transactions of such securities. Such transactions will also give an appearance of insider trading. However, as mentioned earlier, since neither Cornerstone nor its associated persons, including IARs, participate in the securities selection process, we will not view them as insider transactions.

Cornerstone Securities is not registered, nor have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.



## **11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **11.1 Code of Ethics**

Cornerstone has adopted a Code of Ethics describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics also includes provisions relating to the confidentiality of client information, prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things.

Cornerstone designed the Code of Ethics to ensure that the personal securities transactions, activities and interests of the supervised persons of Cornerstone will not interfere with (i) making decisions in the best interest of their clients and (ii) implementing such decisions while, at the same time, allowing them to invest for their own accounts. Clients or prospective clients may request a copy of the firm's Code of Ethics. For clients in California, California Code of Regulations Section 260.238 (k) provides that failing to disclose to a client in writing before entering or renewing an advisory agreement with that client any material conflicts of interest regarding the investment adviser, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice does not promote "fair, equitable or ethical principles".

### **11.2 Participation or Interest in Client Transactions**

It is Cornerstone's policy that the firm will not affect any principal<sup>1</sup> or agency cross securities transactions<sup>2</sup> for advisory clients' accounts. Further, Cornerstone will not cross trades between client accounts.

IARs will possibly recommend securities in which they directly or indirectly have a financial interest in, and buy and sell securities for their own or other accounts for securities they recommend for purchase or sale by advisory clients.

### **11.3 Personal Trading**

Cornerstone's policy does not prohibit its IARs from investing in the same securities as clients. However, the IAR's Supervisor monitors each IAR's personal securities transactions. In addition, to reasonably prevent conflicts of interest between IARs and their clients, in some circumstances, when determined that an IAR has received a better execution price than the client on the same day for the same security, Cornerstone will require the IAR to cancel the transaction and give the better executed priced transaction to the client, if possible.

## **12. BROKERAGE PRACTICES**

### **12.1 Soft Dollar Practices**

At the present time, Cornerstone does not have any soft dollar arrangement. Cornerstone's recommendation of a broker dealer is based solely on the fact the client can receive the reduced institutional trading costs instead of potentially higher retail costs. Cornerstone receives no benefits from broker dealer recommendations be it soft dollar or otherwise.

### **12.2 Client Referrals**

Cornerstone does not receive any compensation or reward from unaffiliated third party broker-dealers for referring our clients for transactions with the broker-dealer.

### **12.3 Directed Brokerage**

Cornerstone directs its advisory clients' transactions to TD Ameritrade or Charles Schwab. Not all advisors require their clients to direct brokerage. Directing brokerage may not allow for the client to achieve the most favorable execution of their transactions, and therefore this practice may cost clients more money.

<sup>1</sup> Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client.

<sup>2</sup> An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction.

<sup>3</sup> Also known as bunching trade or bundled trade

## **12.4 Trade Aggregation<sup>3</sup>**

Cornerstone may aggregate discretionary securities transactions, if needed. In addition, securities transactions of IARs' personal or related accounts can be included in aggregated securities transactions.

Cornerstone may utilize trade aggregation for the purpose of giving equal price to clients when the transaction is for the same security in multiple accounts on a given day. By doing so, all clients participating in the transaction will receive the same price. By doing so, Cornerstone and IARs will not favor one customer over another in placing the securities transactions order. It will also help to eliminate any conflict of interest raised when the IAR participates in the same securities transaction with clients.

## **13. REVIEW OF ACCOUNTS**

As mentioned in section 4 of this document, Cornerstone through its IARs, provides advisory services, such as financial planning services, IAR directed asset management services, and selection of third party sponsored advisory programs. For financial planning services, generally, IARs provide reviews per the client's request. Therefore, the frequency of review varies based on the client's needs and requests. For IAR directed asset management services, the IAR initially reviews the client's investment objectives, financial status, financial goals, and needs. The IAR will also contact the client at least annually to review financial status, goals, and objectives. If a client wishes to have a review more frequently than annually, or if a client wishes to have a review before a scheduled annual review due to a life change such as change in employment, death of family member, change in investment goals or time horizons, or financial hardship; then client may request one in writing. The following individual IARs will conduct reviews: Bart Spachek; John Fitch; Brian Taylor; Alan Thomilson; Joshua Osborn, Steven Stratton; Dennus Cooper, Chris Burch, Tim Stearns. The annual contact is for the purpose of determining what, if any, adjustments or recommendations the IAR should make to the client's account. Written reports of reviews will not be provided by Cornerstone Securities. IARs are not allowed to generate their own written reports. IARs are responsible for ensuring timely reviews and suitable recommendations for clients participating in third party sponsored advisory programs. The IAR's annual client reviews will be supervised by Russell Fieger.

## **14. CLIENT REFERRALS AND OTHER COMPENSATION**

Neither Cornerstone nor its IARs compensate any unaffiliated individuals or entities for client referrals. However, Cornerstone and IARs receive compensation from unaffiliated third party investment advisory firms for client referrals.

Cornerstone maintains its IAR directed asset management accounts with TD Ameritrade and Charles Schwab.

To ensure that Cornerstone's capacity does not hinder IARs in providing advisory services to their clients, Cornerstone does not promote or offer any proprietary products, therefore allowing IARs to tailor investment programs according to their clients' objectives and needs.

When IARs attend seminars or training and educational conferences sponsored by third party product or service providers, costs of attending such events will be reimbursed by the product provider. However, neither Cornerstone nor IARs receive any economic or financial benefit from attending such event.

In addition for reimbursement of attending events sponsored by third party product or services providers, Cornerstone or its IARs can receive promotional items, meals or entertainment or other non-cash compensation from the sponsor as permitted by regulatory rules and internal policies and procedures.

## **15. CUSTODY**

Neither Cornerstone nor IARs maintain custody of any client funds or securities. Clients will receive at least quarterly statements directly from the qualified custodian that holds and maintains client's assets. Account statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Clients should carefully review those statements.

For clients in Texas, the firm will comply with the custody rules and safekeeping provisions prescribed under Board Rule 116.17. For clients in California, the firm will comply with California Code of Regulation, Section 260.237(b)(3):

A. The investment adviser has custody of the funds and securities solely as a consequence of its authority to make withdrawals from client accounts to pay its advisory fee.

- B. The investment adviser has written authorization from the client to deduct advisory fees from the account held with the qualified custodian.
- C. Each time a fee is directly deducted from a client account, the investment adviser concurrently:
- i. Sends the qualified custodian an invoice or statement of the amount of the fee to be deducted from the client's account; and
  - ii. Sends the client an invoice or statement itemizing the fee. Itemization includes the formula used to calculate the fee, the value of the assets under management on which the fee is based, and the time period covered by the fee.
- D. The investment adviser notifies the Commissioner in writing that the investment adviser intends to use the safeguards provided in this paragraph (b)(3). Such notification is required to be given on Form ADV.

In addition, depending on third party investment advisory firms, clients participating in third party investment advisory programs will also receive additional account statements from the third party investment adviser, if available. Cornerstone urges clients to carefully review such statements and compare them to the account statements clients receive directly from the qualified custodian.

## **16. INVESTMENT DISCRETION**

For IAR directed asset management services, IARs make investment decisions in selecting securities types and specific securities on a discretionary basis. Please note that the IARs discretion is limited to choosing securities purchased or sold and amount of securities purchased or sold. Discretion will be given by client in by both signing the Investment Advisory Agreement as well as by initialing and signing the custodian paperwork which IAR Limited Power of Attorney.

In all cases, however, the IAR should exercise such discretion in a manner consistent with the stated investment objectives for the particular client account. The IAR will also rebalance and reallocate the account when the IAR determines such rebalancing or reallocating is appropriate.

For third party investment advisory program accounts, the third party investment adviser makes investment decisions on selecting securities types and specific securities. Third party investment advisers will also rebalance and reallocate clients' accounts when the third party investment adviser determines such rebalancing or reallocating is appropriate. Please note that neither Cornerstone nor its IARs make any decisions on selecting any securities types or specific securities for the accounts managed by third party investment advisory firms.

## **17. VOTING CLIENT SECURITIES**

Neither Cornerstone nor IARs take any action or render any advice to clients with respect to the voting of proxies solicited by, or with respect to, the issuers of any securities held in clients' accounts.

In other words, clients retain the authority and responsibility to vote proxies for their accounts. In addition, neither Cornerstone nor IARs have any obligation to render advice or take any action with respect to securities or other investments, or the issuers thereof, which become subject to any legal proceeding, including bankruptcies.

For third party investment advisory program accounts, clients can delegate the third party investment adviser for proxy voting if the third party investment adviser accepts such authority and responsibility on behalf of clients. For third party investment advisers' proxy voting practice, please refer to section 17 of the third party investment adviser's disclosure document.

## **18. FINANCIAL INFORMATION**

Neither Cornerstone nor its IARs:

- Have or maintain clients' funds or securities in its possession;
- Have discretionary authority over client assets (other than investment discretion disclosed in Section 16); or
- Require or solicit prepayment of more than \$500 and six months or more in advance in advisory fees.

Therefore, neither Cornerstone nor IARs have financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients.

In addition, Cornerstone has not been the subject of a bankruptcy proceeding.

## 19. REQUIREMENTS FOR STATE REGISTERED ADVISORS

Cornerstone Securities, LLC is registered in the following states: Kansas, Missouri, Texas, California, Oregon, Florida, Arkansas, North Carolina, & Illinois.

Russell E. Fieger is principal owner of Cornerstone Securities LLC. Born: 1969

Education: Bachelor of Science; University of Kansas, Lawrence Kansas; Major: Journalism

Work Experience: Cornerstone Securities–April 2006 to Present; Crown Capital Securities, L.P.– July 2012– Present; Brookstone Securities–March 2006 – June 2012

Mr. Fieger sells financial products consisting of life insurance, annuities, and long term care insurance, which is incidental to the financial planning and investment process. Additionally, he has arrangements that are material to his advisory business or its clients with Crown Capital Securities, L.P., a registered broker-dealer. He is a registered representative of Crown Capital Securities, L.P. and commissions are paid for these activities. No officer or supervised person of the firm is compensated for advisory services with performance-based fees. Cornerstone does not engage in performance-based fees. After the Great Recession, a client filed a complaint against Cornerstone Securities, LLC and Mr. Fieger for suitability of investments in regard to leveraged and inverse leveraged ETFs. <http://www.ksc.ks.gov/archivecenter/viewfile/item/625> In order to avoid expense of litigation, Cornerstone Securities, LLC and Mr. Fieger agreed to pay restitution to the client, however, Cornerstone Securities, LLC and Mr. Fieger neither admit nor deny the allegations. Cornerstone Securities, LLC has no additional disclosures. Cornerstone Securities, LLC does not have E&O. Neither the firm nor any management have any relationship or arrangement with any issuer of securities.

## ADV Part 2B Brochure Supplement

CRD 4122326

Russell Fieger

6710 W 121<sup>st</sup> St.  
Overland Park, KS 66209

Cornerstone Securities

6710 W 121<sup>st</sup> St.  
Overland Park, KS 66209  
913-538-5483

### **Item 1 Cover Page**

This brochure supplement provides information about Russell Fieger that supplements the Cornerstone Securities brochure. You should have received a copy of that brochure. Please contact Mr. Fieger, if you did not receive Cornerstone Securities' brochure or if you have any questions about the contents of this supplement. He has E&O through Crown Capital Securities.

Additional information about Russell Fieger is available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

### **Item 2 Education Background & Business Experience**

Born: 1969

Education: Bachelor of Science; University of Kansas, Lawrence Kansas; Major: Journalism

Work Experience: Cornerstone Securities–April 2006 to Present; Crown Capital Securities– July 2012–present; Blue River Capital LLC – March 2014 to Present

### **Item 3 Disciplinary Information:**

In April 2006, clients executed an Investment Advisory Agreement with Corner Securities LLC signed by Russell E. Fieger on behalf of Cornerstone, who served as the investment adviser representative on behalf of Cornerstone on the clients account. The Investment Advisory Agreement gave Cornerstone and Russell E. Fieger discretion to purchase and sell securities on behalf of the clients without prior consent. In June 2008, Russell E. Fieger began to purchase complex products known as leveraged exchange traded funds and leveraged-inverse exchange traded funds (ETFs) in the client accounts that he managed on behalf of the clients. Despite the abundance of warnings regarding the risks of nontraditional ETFs issued by FINRA in June 2009 through the Regulatory Notice 09-31 and the funds prospectuses, Russell E. Fieger placed a portion of the clients assets that he managed on behalf of the clients in leveraged and leveraged-inverse ETFs and held them for periods much longer than one day (in some instances, they were held for as long as 173 days). Due to such transactions, the clients suffered losses of \$253,876.19. Russell E. Fieger's purchases of two times leveraged and two times leveraged-inverse ETFs in the clients accounts constitute unsuitable recommendations and a breach of fiduciary duty and constituted grounds for discipline pursuant to K.S.A. 17- 12a412(d)(13) and on March 18, 2014, Russell E. Fieger was ordered by the Office of the Kansas Securities Commissioner to pay a total of \$86,600 in restitution to the clients. The consent order can be reviewed at: <http://www.ksc.ks.gov/ArchiveCenter/ViewFile/Item/625>

### **Item 4 Other Business Activities:**

Russell Fieger is a registered representative for Crown Capital Securities. He is an IAR for both Crown Capital Securities. He is licensed to sell insurance related products such as life, health, and fixed annuities. Commissions are paid for these activities. Receiving a commission may present a conflict of interest and may provide an incentive to recommend investment products based on the compensation received, rather than on a client's need. For more information on fees, compensation and potential conflicts of interest including how they are addressed please see the Fees and Compensation section of ADV Part 2A Brochure. He spends approximately 40 hours per month on these activities.

### **Item 5 Additional Compensation**

There are no additional undisclosed arrangements with anyone who is not a client for which Russell Fieger receives economic benefit.

### **Item 6 Supervision**

Cornerstone Securities, through its IARs, provides advisory services, such as financial planning services, IAR directed asset management services, and selection of third party sponsored advisory programs, as well as selection of REIT programs. Russell E. Fieger (913-538-5483) is in charge of supervising advisory activities on behalf of Cornerstone Securities.

### **Item 7 Requirements for State-Registered Advisors**

Russell Fieger has not been involved in any arbitration claim nor has he been found liable in any civil, self-regulatory organization or administrative proceeding. He has not been subject of any bankruptcy proceeding. After the Great Recession, a client filed a complaint against Cornerstone Securities, LLC and Mr. Fieger for suitability of investments in regard to leveraged and inverse leveraged ETFs. In order to avoid expense of litigation, Cornerstone Securities, LLC and Mr. Fieger agreed to pay restitution to the client, however, Cornerstone Securities, LLC and Mr. Fieger neither admit nor deny the allegations. Cornerstone Securities, LLC has no additional disclosures.

ADV Part 2B Brochure Supplement

CRD 2504340

Timothy J Stearns

1845 E. Rand Rd.

Suite 103

Arlington Heights, IL 60004

Cornerstone Securities

6710 W 121<sup>st</sup> St.

Overland Park, KS 66209

913-538-5483

**Item 1 Cover Page**

This brochure supplement provides information about Timothy Stearns that supplements Cornerstone's brochure. You should have received a copy of that brochure. Please contact the firm if you did not receive Cornerstone's brochure or if you have any questions about the contents of this supplement. He has E&O through Crown Capital Securities.

Additional information about Timothy Stearns is available on the SEC's website at [www.advisorinfo.sev.gov](http://www.advisorinfo.sev.gov).

**Item 2 Education Background & Business Experience.**

Timothy Stearns Year of Birth: 1971

Formal Education:

Illinois State University, Normal IL 1994

Business Background (preceding five years)

Cornerstone Securities-Oct. 2014 to Present; Crown Capital Securities- July 2012 -present; CFP® at TJ Stearns Inc. July 2009 – Present

**Item 3 Disciplinary Information**

There are two reportable events that relate to Mr. Stearns buying stock in his personal account 15 years ago which caused his brokerage's house account records to be in error.

**Item 4 Other Business Activities**

Timothy Stearns is licensed to sell insurance related products such as life, health, and fixed annuities. Also, he is a registered representative and I\*AR for Crown Capital Securities. Commissions are paid for these activities. Receiving a commission may present a conflict of interest and may provide an incentive to recommend investment products based on the compensation received, rather than on a client's need. For more information on fees, compensation and potential conflicts of interest including how they are addressed please see the Fees and Compensation section of ADV part 2A Brochure. He spends approximately 150 hours per month on these activities.

**Item 5 Additional Compensation**

There are no additional undisclosed arrangements with anyone who is not a client for which Timothy Stearns receives economic benefit.

**Item 6 Supervision**

Cornerstone Securities, through its IARs, provides advisory services, such as financial planning services, IAR directed asset management services, and selection of third party sponsored advisory programs, as well as selection of REIT programs. Russell E. Fieger (913-538-5483) is charge of supervising advisory activities on behalf of Cornerstone Securities.

**Item 7 Requirements for State-Registered Advisors**

Timothy Stearns has not been involved in any arbitration claim nor has he been found liable in any civil, self-regulatory organization or administrative proceeding. He has not been subject of any bankruptcy proceeding.

ADV Part 2B Brochure Supplement  
CRD 5065019  
Bart A. Spachek  
6901 Shawnee Mission Parkway  
Suite 200  
Overland Park, KS 66202

Cornerstone Securities  
6710 W 121<sup>st</sup> St.  
Overland Park, KS 66209  
913-538-5483

### **Item 1 Cover Page**

This brochure supplement provides information about Bart A. Spachek that supplements Cornerstone's brochure. You should have received a copy of that brochure. Please contact the firm if you did not receive Cornerstone's brochure or if you have any questions about the contents of this supplement. He does not have E&O .

Additional information about Bart A. Spachek is available on the SEC's website at [www.advisorinfo.sev.gov](http://www.advisorinfo.sev.gov).

### **Item 2 Education Background & Business Experience.**

Bart A. Spachek

Year of Birth: 1970

Formal Education:

Kansas State University 1992– BS Business Administration Marketing

Business Background (preceding five years)

Cornerstone Securities-March 2015 to Present; Bart Spachek Inc. July 2010 - Present; BWM Advisory LLC January 2014-March 2015; Client One Securities August 2012- December 2014

### **Item 3 Disciplinary Information**

Bart A. Spachek entered into a consent agreement and order resulting from the marketing and sales practices of individuals selling renter's insurance policies in Nebraska and Kansas under Mr. Spachek's supervision. Although no consumers were harmed, directly by Mr. Spachek's conduct, and although such coverage is routinely bound prior to payment of premium, the commissioner found that Mr. Spachek placed the insurance company at risk of loss without a good faith content to collect and pay premium. Mr. Spachek was fined \$2,500.

### **Item 4 Other Business Activities**

Bart A. Spachek is licensed to sell insurance related products such as life, health, and fixed annuities. Commissions are paid for these activities. Receiving a commission may present a conflict of interest and may provide an incentive to recommend investment products based on the compensation received, rather than on a client's need. For more information on fees, compensation and potential conflicts of interest including how they are addressed please see the Fees and Compensation section of ADV part 2A Brochure. Additionally, Mr. Spachek is director of Bart Spachek Inc., acts as a consultant on an "as needed" basis with an exclusive Allstate insurance agent. He spends approximately 5 hours per month on this activity.

### **Item 5 Additional Compensation**

There are no additional undisclosed arrangements with anyone who is not a client for which Bart A. Spachek receives economic benefit.

### **Item 6 Supervision**

Cornerstone Securities, through its IARs, provides advisory services, such as financial planning services, IAR directed asset management services, and selection of third party sponsored advisory programs, as well as selection of REIT programs. Russell E. Fieger (913-538-5483) is in charge of supervising advisory activities on behalf of Cornerstone Securities.

### **Item 7 Requirements for State-Registered Advisors**

Bart A. Spachek has not been involved in any arbitration claim nor has he been found liable in any civil, self-regulatory organization or administrative proceeding. He has not been subject of any bankruptcy proceeding.



ADV Part 2B Brochure Supplement  
CRD 4650298  
John B. Fitch  
6901 Shawnee Mission Parkway  
Suite 200  
Overland Park, KS 66202

Cornerstone Securities  
6710 W 121<sup>st</sup> St.  
Overland Park, KS 66209  
913-538-5483

### **Item 1 Cover Page**

This brochure supplement provides information about John B. Fitch that supplements Cornerstone's brochure. You should have received a copy of that brochure. Please contact the firm if you did not receive Cornerstone's brochure or if you have any questions about the contents of this supplement. He does have E&O.

Additional information about John B. Fitch is available on the SEC's website at [www.advisorinfo.sev.gov](http://www.advisorinfo.sev.gov).

### **Item 2 Education Background & Business Experience.**

John B. Fitch

Year of Birth: 1967

Formal Education:

Texas Christian University, BA

Business Background (preceding five years)

Cornerstone Securities-January 2017 to Present; Larson Financial Securities LLC and Larson Financial Group LLC January 2015 – January 2017; Flexible Plan Investments January 2013 – December 2014; Capital Investment Management March 2011- March 2014

### **Item 3 Disciplinary Information**

No reportable disciplinary history.

### **Item 4 Other Business Activities**

John B. Fitch is licensed to sell insurance related products such as life, health, and fixed annuities.

Commissions are paid for these activities. Receiving a commission may present a conflict of interest and may provide an incentive to recommend investment products based on the compensation received, rather than on a client's need. For more information on fees, compensation and potential conflicts of interest including how they are addressed please see the Fees and Compensation section of ADV part 2A Brochure. He spends approximately 5 hours per month on this activity.

### **Item 5 Additional Compensation**

There are no additional undisclosed arrangements with anyone who is not a client for which John B. Fitch receives economic benefit.

### **Item 6 Supervision**

Cornerstone Securities, through its IARs, provides advisory services, such as financial planning services, IAR directed asset management services, and selection of third party sponsored advisory programs, as well as selection of REIT programs. Russell E. Fieger (913-538-5483) is in charge of supervising advisory activities on behalf of Cornerstone Securities.

### **Item 7 Requirements for State-Registered Advisors**

John B. Fitch has not been involved in any arbitration claim nor has he been found liable in any civil, self-regulatory organization or administrative proceeding. He has not been subject of any bankruptcy proceeding.



ADV Part 2B Brochure Supplement  
CRD 4337776  
Brian Taylor  
6710 W 121<sup>st</sup> St.  
Overland Park, KS 66209  
  
Cornerstone Securities  
6710 W 121<sup>st</sup> St.  
Overland Park, KS 66209  
913-538-5483

**Item 1 Cover Page**

This brochure supplement provides information about Brian Taylor that supplements the Cornerstone Securities brochure. You should have received a copy of that brochure. Please contact Mr. Taylor, if you did not receive Cornerstone Securities' brochure or if you have any questions about the contents of this supplement. He has E&O.

Additional information about Brian Taylor is available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

**Item 2 Education Background & Business Experience**

Born: 1976

Education: Bachelor of Science; Iowa State University, Ames Iowa; Major: Finance & Accounting;  
MBA, Avila University, Kansas City Missouri

Work Experience: Cornerstone Securities–September 2017 to Present; Wise Wealth August 2015 – September 2017; Waddell & Reed/Ivy Investments August 2003 – July 2015

**Item 3 Disciplinary Information:**

No disciplinary information to report.

**Item 4 Other Business Activities:**

Brian Taylor is licensed to sell insurance related products such as life, health, and fixed annuities. Commissions are paid for these activities. Receiving a commission may present a conflict of interest and may provide an incentive to recommend investment products based on the compensation received, rather than on a client's need. For more information on fees, compensation and potential conflicts of interest including how they are addressed please see the Fees and Compensation section of ADV Part 2A Brochure. He spends approximately 6 hours per month on this activity.

**Item 5 Additional Compensation**

There are no additional undisclosed arrangements with anyone who is not a client for which Brian Taylor receives economic benefit.

**Item 6 Supervision**

Cornerstone Securities, through its IARs, provides advisory services, such as financial planning services, IAR directed asset management services, and selection of third party sponsored advisory programs, as well as selection of REIT programs. Russell E. Fieger (913-538-5483) is in charge of supervising advisory activities on behalf of Cornerstone Securities.

**Item 7 Requirements for State-Registered Advisors**

Brian Taylor has not been involved in any arbitration claim nor has he been found liable in any civil, self-regulatory organization or administrative proceeding. He has not been subject of any bankruptcy proceeding.

ADV Part 2B Brochure Supplement  
CRD 1855542  
Alan Thomilson  
Cornerstone Securities  
6710 W 121<sup>st</sup> St.  
Overland Park, KS 66209  
913-538-5483

**Item 1 Cover Page**

This brochure supplement provides information about Alan Thomilson that supplements the Cornerstone Securities brochure. You should have received a copy of that brochure. Please contact Mr. Thomilson, if you did not receive Cornerstone Securities' brochure or if you have any questions about the contents of this supplement. He does have E&O. Additional information about Alan Thomilson is available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

**Item 2 Education Background & Business Experience**

Born: 1965

Education: Eastern Illinois University, Bachelor of Science 1988

Work Experience: Cornerstone Securities–August 2018 to Present; Ameriprise Financial Services November 2017 – August 2018; Lincoln Financial Securities August 2011- November 2017

**Item 3 Disciplinary Information:**

In 2015, after both Allianz Life and Lincoln Life denied the same complaint about a fixed insurance product, the client filed the same complaint against the broker dealer and did not name Mr. Thomilson in the complaint. The broker dealer decided to settle without consulting Mr. Thomilson. Afterwards, the broker dealer decided to put it on Mr. Thomilson's record.

**Item 4 Other Business Activities:**

Alan Thomilson is licensed to sell insurance related products such as life, health, and fixed annuities. Commissions are paid for these activities. Receiving a commission may present a conflict of interest and may provide an incentive to recommend investment products based on the compensation received, rather than on a client's need. For more information on fees, compensation and potential conflicts of interest including how they are addressed please see the Fees and Compensation section of ADV Part 2A Brochure. He spends approximately 8 hours per month on this activity. He owns a rental property, also.

**Item 5 Additional Compensation**

There are no additional undisclosed arrangements with anyone who is not a client for which Alan Thomilson receives economic benefit.

**Item 6 Supervision**

Cornerstone Securities, through its IARs, provides advisory services, such as financial planning services, IAR directed asset management services, and selection of third party sponsored advisory programs, as well as selection of REIT programs. Russell E. Fieger (913-538-5483) is charge of supervising advisory activities on behalf of Cornerstone Securities.

**Item 7 Requirements for State-Registered Advisors**

Alan Thomilson has not been involved in any arbitration claim nor has he been found liable in any civil, self-regulatory organization or administrative proceeding.

ADV Part 2B Brochure Supplement  
CRD 6001878  
Christopher Burch  
Cornerstone Securities  
4524 SE 16<sup>th</sup> Place #4  
Cape Coral, FL 33904  
6710 W 121<sup>st</sup> St.  
Overland Park, KS 66209  
913-538-5483

**Item 1 Cover Page**

This brochure supplement provides information about Christopher Burch that supplements the Cornerstone Securities brochure. You should have received a copy of that brochure. Please contact Mr. Burch, if you did not receive Cornerstone Securities' brochure or if you have any questions about the contents of this supplement. He does have E&O. Additional information about Christopher Burch is available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

**Item 2 Education Background & Business Experience**

Born: 1975

Education: Attended Ohio State University

Work Experience: Cornerstone Securities–August 2018 to Present; June 2016 – August 2018 Grace Capital Management; March 2016 – June 2016 MML Investors Services; September 2012 – November 2015 Allstate Financial Advisors

**Item 3 Disciplinary Information:**

No disciplinary information to report.

**Item 4 Other Business Activities:**

Christopher Burch is licensed to sell insurance related products such as life, health, and fixed annuities. Commissions are paid for these activities. Receiving a commission may present a conflict of interest and may provide an incentive to recommend investment products based on the compensation received, rather than on a client's need. For more information on fees, compensation and potential conflicts of interest including how they are addressed please see the Fees and Compensation section of ADV Part 2A Brochure. He spends approximately 8 hours per month on this activity. He owns a rental property, also.

**Item 5 Additional Compensation**

There are no additional undisclosed arrangements with anyone who is not a client for which Christopher Burch receives economic benefit.

**Item 6 Supervision**

Cornerstone Securities, through its IARs, provides advisory services, such as financial planning services, IAR directed asset management services, and selection of third party sponsored advisory programs, as well as selection of REIT programs. Russell E. Fieger (913-538-5483) is in charge of supervising advisory activities on behalf of Cornerstone Securities.

**Item 7 Requirements for State-Registered Advisors**

Christopher Burch has not been involved in any arbitration claim nor has he been found liable in any civil, self-regulatory organization or administrative proceeding.

ADV Part 2B Brochure Supplement  
CRD 6643144  
Joshua Osborn  
155 N. Riverview Dr., Suite 113  
Anaheim Hills, CA 92808  
Cornerstone Securities  
6710 W 121<sup>st</sup> St.  
Overland Park, KS 66209  
913-538-5483

**Item 1 Cover Page**

This brochure supplement provides information about Joshua Osborn that supplements the Cornerstone Securities brochure. You should have received a copy of that brochure. Please contact Mr. Osborn, if you did not receive Cornerstone Securities' brochure or if you have any questions about the contents of this supplement. He does not have E&O. Additional information about Joshua Osborn is available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

**Item 2 Education Background & Business Experience**

Born: 1995

Education: Pensacola Christian College 2013-2014; West Coast Baptist College - 2013

Work Experience: Cornerstone Securities–June 2019 to Present; Streetwise Investments 2018-2019; New York Life 2016-2018; Lafayette Insurance -2015; Libertoski Insurance Group - 2015

**Item 3 Disciplinary Information:**

No disciplinary information to report.

**Item 4 Other Business Activities:**

Joshua Osborn is licensed to sell insurance related products such as life, health, and fixed annuities. Commissions are paid for these activities. Receiving a commission may present a conflict of interest and may provide an incentive to recommend investment products based on the compensation received, rather than on a client's need. For more information on fees, compensation and potential conflicts of interest including how they are addressed please see the Fees and Compensation section of ADV Part 2A Brochure. He spends approximately 8 hours per month on this activity.

**Item 5 Additional Compensation**

There are no additional undisclosed arrangements with anyone who is not a client for which Joshua Osborn receives economic benefit.

**Item 6 Supervision**

Cornerstone Securities, through its IARs, provides advisory services, such as financial planning services, IAR directed asset management services, and selection of third party sponsored advisory programs, as well as selection of REIT programs. Russell E. Fieger (913-538-5483) is in charge of supervising advisory activities on behalf of Cornerstone Securities.

**Item 7 Requirements for State-Registered Advisors**

Joshua Osborn has not been involved in any arbitration claim nor has he been found liable in any civil, self-regulatory organization or administrative proceeding. He was the subject of a bankruptcy petition in 2011.

ADV Part 2B Brochure Supplement  
CRD 1368111  
Steven Stratton  
1018 Chevney Way  
Shady Cove, OR 97539  
Cornerstone Securities  
6710 W 121<sup>st</sup> St.  
Overland Park, KS 66209  
913-538-5483

**Item 1 Cover Page**

This brochure supplement provides information about Steven Stratton that supplements the Cornerstone Securities brochure. You should have received a copy of that brochure. Please contact Mr. Stratton, if you did not receive Cornerstone Securities' brochure or if you have any questions about the contents of this supplement. He does have E&O. Additional information about Steven Stratton is available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

**Item 2 Education Background & Business Experience**

Born: 1955

Work Experience: Cornerstone Securities–November 2019 to Present; SNS Global August 2017 – Present; PlanMember Securities October 2017 –November 2019; Cambridge Investment Research June 2005-October 2015.

**Item 3 Disciplinary Information:**

No disciplinary information to report.

**Item 4 Other Business Activities:**

Steven Stratton is licensed to sell insurance related products such as life, health, and fixed annuities. Commissions are paid for these activities. Receiving a commission may present a conflict of interest and may provide an incentive to recommend investment products based on the compensation received, rather than on a client's need. For more information on fees, compensation and potential conflicts of interest including how they are addressed please see the Fees and Compensation section of ADV Part 2A Brochure. He spends approximately 80 hours per month on this activity.

**Item 5 Additional Compensation**

There are no additional undisclosed arrangements with anyone who is not a client for which Steven Stratton receives economic benefit.

**Item 6 Supervision**

Cornerstone Securities, through its IARs, provides advisory services, such as financial planning services, IAR directed asset management services, and selection of third party sponsored advisory programs, as well as selection of REIT programs. Russell E. Fieger (913-538-5483) is charge of supervising advisory activities on behalf of Cornerstone Securities.

**Item 7 Requirements for State-Registered Advisors**

Steven Stratton has not been involved in any arbitration claim nor has he been found liable in any civil, self-regulatory organization or administrative proceeding.

ADV Part 2B Brochure Supplement  
CRD 2476687  
Dennus K. Cooper  
9270 Glenwood, Suite B  
Overland Park, KS 66212

Cornerstone Securities  
6710 W. 121<sup>st</sup> Street  
Overland Park, KS 66209  
(913)-538-5483

**Item 1 Cover Page:**

This brochure supplement provides information about Dennus K. Cooper that supplements the Cornerstone Securities brochure. You should have received a copy of that brochure. Please contact Dennus K. Cooper if you did not receive the Cornerstone Securities brochure or if you have any questions about the contents of this supplement. Dennus K. Cooper maintains E&O coverage.

Additional information about Dennus K. Cooper is available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

**Item 2 Education Background and Business Experience:**

Born: 1970

Education: University of Kansas

Work Experience: Cornerstone Securities February 2022 to present, Dominion Investor Services November 2016 to February 2022, National Planning Corporation December 2010 to July 2016.

**Item 3 Disciplinary Information:**

In March of 2003 a client wrote a complaint that alleged that his representative gave him incorrect advice regarding a lump sum distribution from his deferred compensation plan which resulted in tax consequences. Further, client alleged that an investment made was unsuitable which resulted in further losses. Representative responded that the lump sum distributions from deferred compensation plan were made prior to meeting and consulting with representative. Further, investment made which was unsuitable and resulted in further losses was made on an unsolicited basis and not recommended by the representative. Client alleged \$125,000 in compensatory damages. The complaint was settled through mediation at the request of the Broker Dealer in order to avoid additional legal fees for \$30,000 with an individual contribution amount from representative for \$5,000.

**Item 4 Other Business Activities:**

Dennus K. Cooper is licensed to sell insurance related products such as life, long-term care, and annuities. Commissions are paid for these activities. Receiving commissions may present a conflict of interest and may provide an incentive to recommend investment products based on the compensation received, rather than on a clients' needs. For information on fees, compensation, and potential conflicts of interest including how they are addressed please see the Fees and Compensation section of ADV Part 2A Brochure. In addition, Dennus K. Cooper owns and operates The Cooper Group, LLC for the purposes of overhead management and group benefit opportunities.

**Item 5 Additional Compensation:**

There are no additional undisclosed arrangements with anyone who is not a client for which Dennus K. Cooper receives economic benefit.

**Item 6 Supervision:**

Cornerstone Securities, through its IARs, provides advisory services such as Financial Planning Services, IAR direct asset management services, and selection of third party sponsored advisory programs, as well as REIT programs. Russell Fieger (913-538-5483) is in charge of supervising advisory activities on behalf of Cornerstone Securities.

**Item 7 Requirements for State-Registered Advisors:**

Dennus K. Cooper has not been involved in any arbitration claim nor has he been found liable in any civil, self-regulatory organization or administrative proceeding. Dennus K. Cooper has not been the subject of any bankruptcy proceeding. In March of 2003 a complaint was filed against Dennus K. Cooper alleging incorrect advice regarding lump sum distributions from a deferred compensation plan and an unsuitable investment recommendation. In order to avoid continued expense for litigation, SunAmerica Securities, Inc., and Dennus K. Cooper agreed to settle with the client, however, SunAmerica Securities, Inc. and Dennus K. Cooper neither admit nor deny the allegations.