

**Item 1: Cover Page for Part 2A and CRS  
of Form ADV: Firm Brochure  
March 22, 2024**



**CORNERSTONE**  
**WEALTH**

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This Brochure provides information about the qualifications and business practices of Cornerstone Wealth Group, LLC dba Cornerstone Wealth. If you have any questions about the contents of this Brochure, please contact us by telephone at (704)987-3410 or email at [compliance@cwadvisors.com](mailto:compliance@cwadvisors.com). The information in this Form ADV 2A brochure (“Brochure”) has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Authority. Additional information about Cornerstone Wealth is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Please note that the use of the term “registered investment adviser” and description of Cornerstone Wealth and/or our associates as “registered” does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm’s associates who advise you for more information on the qualifications of our firm and our employees.

## Item 2: Material Changes

SEC-registered investment advisers are required to provide their clients with a summary of material changes to their Brochure since the time of their last annual updating amendment and offer to provide the entire brochure free of charge. Our most recent prior annual updating amendment was filed on March 31, 2023. Since that time, we have revised our brochure as follows:

- On August 31, 2023, funds affiliated with Clayton, Dubilier & Rice, LLC (“CD&R”) and Stone Point Capital LLC (“Stone Point”) completed an acquisition of Focus Financial Partners Inc. (“Focus Inc.”). This transaction resulted in funds affiliated with CD&R collectively becoming majority owners of Focus Inc. and funds affiliated with Stone Point collectively becoming owners of Focus Inc. because Cornerstone Wealth Group LLC, is an indirect, wholly owned subsidiary of Focus Inc., the CD&R and Stone Point funds are indirect owners of Cornerstone Wealth Group LLC. We have updated Items 4 and 10 to reflect this new ownership structure.
- We have updated Item 4 Advisor Services for Tax Preparation and Consulting Services
- We have updated Item 5 Fees and Compensation for Retirement Plan Consulting and Tax Preparation and Consulting Services.
- We have retained an affiliated firm to serve as subadvisor for certain assets of our clients. Please see Items 4, 5, and 10 for details of this arrangement
- We have begun a business arrangement with an affiliated firm under which certain clients of our firm invest a portion of their assets in certain of the affiliated firm’s private investment vehicles. Please see items 4, 5, 10, and 11 for details of this arrangement.
- Our affiliate, Focus Treasury & Credit Solutions, LLC (“FTCS”) was acquired by UPTIQ, Inc. and has been renamed UPTIQ Treasury & Credit Solutions, LLC (together with UPTIQ, Inc. and its affiliates, “UPTIQ”). We have revised the information concerning FTCS to describe our new arrangement with UPTIQ. The affiliate distributes this revenue to us when we are licensed to receive such revenue (or when no such license is required) and the distribution is not otherwise legally prohibited. Further information on this conflict of interest is available in Items 4, 5, and 10 of this Brochure.

We have made other stylistic revisions to the brochure. Clients are encouraged to review the Brochure in its entirety. A free copy of our Brochure can be obtained by contacting us by telephone at (704)987-3410 or email at [compliance@cwgadvisors.com](mailto:compliance@cwgadvisors.com). Additional information about Cornerstone Wealth is available on the SEC’s website at [www.adviserinfo.gov](http://www.adviserinfo.gov).

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## Item 4: Advisory Business

### Introduction

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Cornerstone Wealth Group, LLC (“Cornerstone Wealth,” the “Firm,” “we,” “us” or “our”) is an SEC Registered Investment Adviser that is dedicated to providing individuals and other types of clients with a wide array of investment advisory services.

The oral and written communications we provide to you, including this Brochure, is information that you may use in your decision to hire us or continue a professional relationship with us. This Brochure provides information about our qualifications and business practices.

### Ownership

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#### FOCUS FINANCIAL PARTNERS

Cornerstone Wealth is part of the Focus Financial Partners, LLC (“Focus LLC”) partnership. Specifically, Cornerstone Wealth is a wholly-owned indirect subsidiary of Focus LLC. Ferdinand FFP Acquisition, LLC is the sole managing partner of Focus LLC. Ultimate governance of Focus LLC is conducted through the board of directors at Ferdinand FFP Ultimate Holdings, LP. Focus LLC is majority owned, indirectly and collectively, by investment vehicles affiliated with Clayton, Dubilier & Rice, LLC (“CD&R”). Investment vehicles affiliated with Stone Point Capital LLC (“Stone Point”) are indirect owners of Focus LLC. Because Cornerstone Wealth is an indirect, wholly-owned subsidiary of Focus LLC, CD&R and Stone Point investment vehicles are indirect owners of Cornerstone Wealth.

Focus LLC also owns other registered investment advisers, broker-dealers, pension consultants, insurance firms, business managers and other firms (the “Focus Partners”), most of which provide wealth management, benefit consulting and investment consulting services to individuals, families, employers, and institutions. Some Focus Partners also manage or advise limited partnerships, private funds, or investment companies as disclosed on their respective Form ADVs.

#### CWG MANAGEMENT GROUP, LLC

Cornerstone Wealth is managed by Craig Rubrecht, Jeffrey Carbone, Clifford Hodge, Jonathan Brown, Andrew Smith, Joe Sweeney, and Terri Fiessinger (“Cornerstone Wealth Principals”), pursuant to a management agreement between CWG Management Group, LLC and Cornerstone Wealth. The Cornerstone Wealth Principals serve as leaders and officers of Cornerstone Wealth and are responsible for the management, supervision and oversight of Cornerstone Wealth.

### Description of the Types of Advisory Services We Offer

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#### Comprehensive Portfolio Management:

We offer clients comprehensive portfolio management and financial planning/financial consulting services. Our services are designed to assist clients in meeting their financial goals through the use of financial investments. We conduct at least one, but sometimes more than one meeting (in person, if possible, otherwise via telephone conference) with clients in order to understand their current financial situation, existing resources, financial goals, and tolerance for risk. Based on what we learn, we propose an investment approach to the client. We typically recommend that clients invest in exchange traded funds, mutual funds, individual stocks or bonds, or other securities. Where we deem it appropriate, we also recommend that a portion of clients’ portfolios be invested by external managers

of separately managed accounts. Upon the client's agreement to the proposed investment plan, we work with the client to establish or transfer investment accounts so that we can manage the client's portfolio on a discretionary or non-discretionary basis. We invest client assets in accordance with a range of models we have designed to meet our clients' needs and risk tolerance. We usually do not allow clients to impose restrictions on investing in certain securities or types of securities due to the level of difficulty this would entail in managing their account. We review the accounts we manage for clients on a regular basis. We may periodically rebalance or adjust client accounts under our management. If the client experiences any significant changes to his/her financial or personal circumstances, the client must notify us so that we can consider such information in managing the client's investments.

We implement investment advisor on behalf of clients in certain held-away accounts – for example, 401(k) or 529 plan accounts – maintained either at the custodians with whom we have an institutional relationship or at other independent third-party custodians. We have the capability to review, monitor, and manage these held-away accounts in a fashion similar to the way in which we review, monitor, and manage accounts that are not held away.

### **Managed 529s or Annuities:**

We also offer management services to subaccounts of RIA based 529 plans, equity indexed annuities, fixed annuities, or variable annuities. The investment services we can provide are limited to allowable products and can be billed separately in accordance with the fee schedule listed below. The client on these accounts will provide our firm with trading authorization; and, on a discretionary basis we will reallocate the subaccounts within the client's plan or annuity pursuant to investment objectives chosen by the client. Our management fees are explained in the schedule listed below in Item 5, Fees & Compensation.

### **Retirement Plan Consulting:**

We provide retirement plan consulting services to employer plan sponsors on an ongoing basis. Generally, such consulting services consist of assisting employer plan sponsors in establishing, monitoring, and reviewing their company's participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advising could include: sponsor services, investment services, plan design, vendor management and/or participant services.

Cornerstone Wealth is a fiduciary under the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended with respect to investment management services and investment advice provided to ERISA plan client, including ERISA plan participants. Cornerstone Wealth is also a fiduciary under the Internal Revenue code ("IRC") with respect to investment management services and investment advice provided to ERISA plans, ERISA plan participants, IRAs, and IRA owners. As such, Cornerstone Wealth is subject to specific duties and obligations under ERISA and IRC that include, among other things, prohibited transaction rules which are intended to prohibit fiduciaries from acting on conflicts of interest. When a fiduciary gives advice in which it has a conflict of interest, the fiduciary must either avoid or eliminate the conflict or rely upon a prohibited transaction exemption.

As a fiduciary, we have duties of care and of loyalty to you and are subject to obligations imposed on us by the federal and state securities laws. As a result, you have certain rights that you cannot waive or limit by contract. Nothing in our agreement with you should be interpreted as a limitation of our obligations under the federal and state securities laws or as a waiver of any non-waivable rights you possess.

### **Financial Planning & Consulting:**

We provide a variety of financial planning and consulting services to individuals, families, and other clients regarding the management of their financial resources based upon an analysis of the client's current situation, goals, and objectives. Generally, such financial planning services will involve

preparing a financial plan or rendering a financial consultation for clients based on the client's financial goals and objectives. This planning or consulting may encompass one or more of the following areas: Asset Allocation, Education/College Savings Plans, Investment Planning, Business/Corporate Planning, Employee Benefit Plan Consulting, Non-securities related Investments, Business Succession, Estate Planning, Personal Financial Planning, Charitable Planning, Financial Consultation, Real Estate Analysis, Corporate Structure, Financial Planning, Retirement Planning, Debt/Cash Flow Analysis, and/or Insurance Analysis/Policy Review.

Our written financial plans or financial consultations rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by the clients. For example, recommendations may be made that the clients begin or revise investment programs, create, or revise wills or trusts, obtain, or revise insurance coverage, commence, or alter retirement savings, or establish education or charitable giving programs. It should also be noted that we refer clients to an accountant, attorney, or other specialist, as necessary for non-advisory related services. For written financial planning engagements, we provide our clients with a verbal or written summary of their financial situation, observations, and recommendations. For financial consulting engagements, we usually do not provide our clients with a written summary of our observations and recommendations as the process is less formal than our planning service. Plans or consultations are typically completed within six (6) months of the client signing a contract with us, assuming that all the information and documents we request from the client are provided to us promptly. Implementation of the recommendations will be at the discretion of the client.

## **Other Types of Services We Offer**

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### **Tax Preparation (and related) Services**

We help our clients obtain tax return preparation and consulting services to clients who receive portfolio management services and/or financial planning services. The fee for tax preparation and consulting service generally depends on the complexity of the engagement and scope of the work.

### **Focus Subsidiary Affiliate**

We have a business arrangement with SCS Capital Management LLC ("SCS"), who is an indirect, wholly owned subsidiary of Focus LLC and Focus Inc., under which certain clients of Cornerstone Wealth have the option of investing in certain private investment vehicles managed by SCS. Cornerstone Wealth is an affiliate of SCS by virtue of being under common control with it. Please see Items 5 and 10 of this Brochure for further details.

We have executed a subadvisory agreement with Williams Jones Wealth Management, LLC ("Williams Jones"), which is an indirect, wholly-owned subsidiary of Focus LLC, and which provides investment subadvisory services to certain of our clients. We are an affiliate of Williams Jones by virtue of being under common control with it. Please see Items 5 and 10 of this Brochure for further details.

We have a business arrangement with a subsidiary or subsidiaries of Origin Investments Group, LLC ("Origin"), who are each an indirect, wholly owned subsidiary of Focus LLC, under which certain clients of Cornerstone Wealth have the option of investing in certain private investment vehicle managed by Origin. Cornerstone Wealth is an affiliate of Origin by virtue of being under common control with it. Please see items 5, 10, and 11 of this Brochure for further details.

### **UPTIQ Treasury & Credit Solutions**

We offer clients the option of obtaining certain financial solutions from unaffiliated third-party financial institutions through UPTIQ Treasury & Credit Solutions, LLC (together with UPTIQ, Inc. and its affiliates, "UPTIQ"). Please see Items 5 and 10 for a fuller discussion of these services and other important information.

**Focus Risk Solutions**

We help our clients obtain certain insurance solutions from unaffiliated, third-party insurance brokers by introducing clients to our affiliate, Focus Risk Solutions, LLC (“FRS”), a wholly owned subsidiary of our parent company, Focus Financial Partners, LLC. Please see Items 5 and 10 for a fuller discussion of these services and other important information.

**Information Received from Clients**

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Cornerstone Wealth will not assume any responsibility for the accuracy of the information provided by the client. We are not obligated to verify any information received from the client or other professionals (e.g., attorney, accountant, etc.) designated by client, and Cornerstone Wealth is expressly authorized by the client to rely on such information provided. Under all circumstances, clients are responsible for promptly notifying Cornerstone Wealth in writing of any material changes to the client’s financial situation, investment objectives, time horizon, or risk tolerance. In the event that a client notifies Cornerstone Wealth of changes in the client’s financial circumstances or investment objectives, we will review such changes and recommend any necessary revisions to the client’s portfolio.

**Assets Under Management**

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As of December 31, 2023, Cornerstone Wealth has \$1,292,570,569 in discretionary assets and \$181,734,854 in assets under advisement. The assets under advisement are not included in the regulatory assets under management of Cornerstone Wealth.

## Item 5: Fees & Compensation

### How We Are Compensated for Our Advisory Services

#### Comprehensive Portfolio Management:

Comprehensive portfolio management services are charged a quarterly fee based on the account's assets under management as of the last day of the preceding quarter cycle. Cash (including cash invested in a cash management program arranged through UPTIQ) and accrued interest and accrued dividends will be included in an account's assets under management in calculating the comprehensive portfolio management fee unless Cornerstone Wealth determines otherwise, in its discretion. For accounts with a margin balance, the account's assets under management for purposes of calculating the comprehensive portfolio management fee will be reduced by the margin balance. Comprehensive portfolio management fees are calculated on a pro-rata annualized basis and payable in advance, on a rolling three-month quarterly basis (billing quarters, rather than calendar quarters).

Effective July 1, 2021, our fee schedule for portfolio management of new clients will be as follows:

ADVISORY TIERED FEE SCHEDULE	
<u>Market Value of Assets</u>	<u>Tiered Rate*</u>
Under \$499,999	1.25%
\$500,000 to \$999,999	1.10%
\$1,000,000 to \$1,499,999	0.95%
\$1,500,000 to \$1,999,999	0.85%
\$2,000,000 to \$2,999,999	0.70%
\$3,000,000 to \$3,999,999	0.65%
\$4,000,000 to \$4,999,999	0.55%
\$5,000,000 to \$9,999,999	0.50%
\$10,000,000 to \$24,999,999	0.40%
\$25,000,000 to \$49,999,999	0.35%
\$50,000,000 to \$99,999,999	0.30%

\*Specified rate applies only to assets in that tier. Accounts for which we charge a fee of 0.25% or less will no longer be included in the value of your assets when we are determining the fee rate applied to your other accounts.

Tier Billing Example: Client has assets under management of \$1,100,000 and are billed according to the schedule listed above:

\$0 to \$499,999 is billed at 1.25% = \$6249.99

\$500,000 to \$999,999 is billed at 1.10% = 5499.99

\$1,000,000 to \$1,100,000 is billed at .95% = \$950

Total Fee Billed = 12,699.98

Clients who engaged us prior to July 1, 2021, are subject to legacy fee schedules that differ from the fee schedule set forth above. If in the best interest of the client, we may choose to use these legacy fees for new clients. In some instances, the use of a legacy fee schedule may include a fee schedule that requires clients to pay us a minimum fee of \$3,000 per annum.



Our fees are potentially negotiable and may vary from client to client based on a variety of factors, including, but not limited to, the unique objectives of the client, complexity of the investment plan and anticipated future assets from the client. We also reserve the right to waive our minimum fee. Unless otherwise arranged by the client, our comprehensive portfolio management fees are automatically deducted from a client’s account by the custodian of the account as soon as reasonably practicable after the end of each calendar cycle.

For certain clients, we charge an advisory fee for services provided with respect to the held-away accounts mentioned in Item 4 above, just as we do with client accounts that are not held away. The fees charged by us for managing held-away accounts are identical to the fees we charge for managing accounts that are not held away.

**Management of Annuities and 529s at Companies with an Advisory Option:**

Annuities and 529s at Companies with an Advisory Option may be charged a quarterly fee based on the last day of the preceding quarter cycle or based on the last day of the preceding quarter payable in arrears. The specific billing conditions will be available in the Product Company’s Documentation.

We charge the following advisory fee when offering Variable Annuities and 529s that are managed by Cornerstone.

**Fee Schedule for Managed 529s or Annuities:**

<u>Asset Type</u>	<u>Maximum Rate</u>
529	1.00%
Equity Index Annuity	0.75%
Fixed Index Annuity	0.75%
Variable Annuity	Client Fee Schedule (as listed above)

We charge different fee rates for assets invested in variable annuities than other managed account assets. Charging different rates creates an incentive to invest client accounts in accounts that pay Cornerstone Wealth a higher fee.

**Retirement Plan Consulting:**

Fees for retirement plan consulting services are based on a percentage of plan assets, according to the schedule below.

**Fee Schedule for 401(k) and 403(b) plans:**

<b>Value of Plan Assets</b>	<b>Fee Ranges</b>
Up to \$1,000,000	50 – 65 bps
\$1,000,000 to \$2,500,000	40 – 50 bps
\$2,500,001 to \$5,000,000	30 – 40 bps
\$5,000,001 to \$10,000,000	25 – 30 bps
\$10,000,001 to \$25,000,000	20 – 25 bps
\$25,000,001 to \$50,000,000	15 – 20 bps
\$50,000,001 +	Negotiable

Minimum annual fee of \$5,000

Clients opening *Cash Balance Plans* (Defined Benefit Plans) will have a fee of 75 bps

The negotiated rate may vary due to multiple locations or additional services rendered.

In addition to the fees above, Client will pay a negotiated fee (“Transition Expense Fee”) for the first year after the Plan transitions to cover additional services required during set up of a new platform/product provider. The Transition Expense Fee is intended to cover the additional services (fund mapping, assistance with enrollment, additional education to committee members and participants, etc.) that will be provided as a result of the transition. Our firm’s fees are billed on an annualized basis monthly/quarterly in advance based on the value of plan assets on the last day of the previous month/quarter. Fees are negotiable and are deducted from your account. On rare occasions, we allow direct billing. 401(k) and 403(b) (non-profit) plans may be charged a start-up or installation fee of up to \$5,000.

Our fee arrangements for consulting services will be determined on a case-by-case basis and will be detailed in the signed Retirement Plan Consulting Agreement.

### **Financial Planning & Consulting:**

We charge either on an hourly or flat fee basis for financial planning and consulting services. The ultimate fee that we charge you is based on the scope and complexity of our engagement with you. Our fees are generally negotiable.

A flat fee shall be paid to our firm for financial planning/consulting services.

For financial planning services we require a retainer of fifty percent (50%) of the estimated total financial planning fee with the remainder of the fee due to us upon delivery of your financial plan. If the entirety of the retainer is not earned within six months of engagement, any excess fees will be returned to the client, along with an explanation of fees earned.

For consulting services, the fee will be paid as  $\frac{1}{4}$  (25%) of the total fee paid on a quarterly basis.

Planning/consulting services will automatically renew on an annual basis unless Client terminates the service. For ongoing services, the annual flat fee will be due on the anniversary date of this agreement.

### **Fees for Tax Preparation (and related) Services**

CWG offers tax return preparation and consulting services to its clients who receive portfolio management services and/or financial planning services. The fee for tax preparation and consulting services generally depends on the complexity of the engagement and scope of the work. If the fee for tax preparation and consulting services is not included in a client’s portfolio management services fee or financial planning fee, then the fee generally is directly billed to the client upon completion of the services, for example, is directly billed to the client upon completion of the services, for example, upon the filing of a tax return. A client may, in writing, grant CWG the authority to deduct the tax preparation and related service fee from their investment account.

### **Focus Subsidiary Affiliate**

We do not receive any compensation from SCS in connection with assets that our clients place in SCS’s pooled investment vehicles. Cornerstone Wealth’s clients are not advisory clients of and do not pay advisory fees to SCS. However, our clients bear the costs of SCS’s investment vehicle or vehicles in which they are invested, including any management fees and performance fees payable to SCS.

The allocation of Cornerstone Wealth client assets to SCS's pooled investment vehicles, rather than to an unaffiliated investment manager, increases SCS's compensation and the revenue to Focus LLC relative to a situation in which our clients are excluded from SCS's pooled investment vehicles. As a consequence, Focus LLC has a financial incentive to encourage us to recommend that our clients invest in SCS's pooled investment vehicles.

We do not receive any compensation from William Jones in connection with Williams Jones' subadvisory services to our clients. However, our clients bear the costs of any investments recommended by Williams Jones and are responsible for any management fees payable to Williams Jones, which are in addition to our advisory fee. The allocation of our client assets to Williams Jones for subadvisory services, rather than to an unaffiliated investment management, increases Williams Jones' compensation and the revenue to Focus LLC relative to a situation in which our clients' assets are managed by an unaffiliated manager. As a consequence, Focus LLC has a financial incentive to encourage us to recommend that a portion of our clients' assets be subadvised by Williams Jones. Please see Item 10 of this Brochure for further details.

We do not receive any compensation from Origin in connection with assets that our clients place in Origin's pooled investment vehicles. Cornerstone Wealth's clients are not advisory clients of and do not pay advisory fees to Origin. However, our clients bear the costs of Origin's Investment vehicle or vehicles in which they are invested, including any management fees and performance fees payable to Origin. The allocation of our client assets to Origin's pooled investment vehicles, rather than to an unaffiliated investment management, increases Origin's compensation and the revenue to Focus LLC relative to a situation in which our clients are excluded from Origin's pooled investment vehicles or in an unaffiliated third party's pooled investment vehicles. As a consequence, Focus LLC has a financial incentive to encourage us to recommend that our clients invest in Origin's pooled investment vehicles.

### **UPTIQ Treasury & Credit Solutions ("UPTIQ")**

We offer clients the option of obtaining certain financial solutions from unaffiliated third-party financial Institutions through UPTIQ Treasury & Credit Solutions, LLC (together with UPTIQ, Inc. and its affiliates, "UPTIQ"). Focus Financial Partners, LLC ("Focus") is a minority investor in UPTIQ, Inc. UPTIQ is compensated by sharing in the revenue earned by such third-party financial institutions for serving our clients. The revenue paid to UPTIQ also benefits UPTIQ Inc.'s investors, including Focus, our parent company. When legally permissible, UPTIQ also shares a portion of this earned revenue with our affiliate, Focus Solutions Holdings, LLC ("FSH"). For non-residential mortgage loans made to our clients, UPTIQ will share with FSH up to 25% of all revenue it receives from such third-party financial institutions. For securities-backed lines of credit ("SBLOCs") made to our clients, UPTIQ will share with FSH up to 75% of all revenue it receives from such third-party financial institutions. For cash management products and services provided to our clients, UPTIQ will share with FSH up to 33% of all revenue it receives from the third-party financial institutions and other intermediaries that provide administrative and settlement services in connection with this program. This earned revenue is indirectly paid by our clients through an increased interest rate charged by the third-party financial institutions or, for cash balances, a lowered yield. FSH distributes this revenue to us when we are licensed to receive such revenue (or when no such license is required) and the distribution is not otherwise legally prohibited. Further information on this conflict of interest is available in Item 10 of this Brochure.

### **Focus Risk Solutions ("FRS")**

Cornerstone Wealth helps our clients obtain certain insurance solutions from unaffiliated, third-party insurance brokers by introducing clients to our affiliate, Focus Risk Solutions, LLC ("FRS"), a wholly owned subsidiary of our parent company, Focus Financial Partners, LLC. FRS has arrangements with certain third-party insurance brokers (the "Brokers") under which the Brokers assist our clients with

regulated insurance sales activity. If FRS refers one of our clients to a Broker and there is a subsequent purchase of insurance through the Broker, then FRS will receive a portion of the upfront and/or ongoing commissions paid to the Broker by the insurance carrier with which the policy was placed. The amount of revenue earned by FRS for the sale of these insurance products will vary over time in response to market conditions. The amount of insurance commission revenue earned by FRS is considered for purposes of determining the amount of additional compensation that certain of our financial professionals are entitled to receive. The amount of revenue earned by FRS for a particular insurance product will also differ from the amount of revenue earned by FRS for other types of insurance products. Further information on this conflict of interest is available in Item 10 of this Brochure.

### **Negotiability of Fees**

Although Cornerstone Wealth believes that its fees are competitive, clients should understand that lower fees for comparable services may be available from other sources and firms. Cornerstone Wealth reserves the right to negotiate fees under certain circumstances and at our sole discretion.

### **Additional Fees & Expenses**

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In addition to the fees charged by Cornerstone Wealth, clients that we provide portfolio management services to are responsible for fees and expenses charged by third parties in connection with the investment of their assets. These fees and expenses could potentially include brokerage and other transaction costs, and fees and taxes, related to the purchase and sale of securities for their accounts, and any fees charged by custodians for holding their assets. Certain investments we select for clients that are managed or sponsored by third parties, such as mutual funds, Exchange Traded Funds, private partnerships, and securities managed by external managers of separately managed accounts, bear fees and expenses for their management and operation. Please ask us to point you to the prospectus, offering memorandum, Form ADV or other document which details these fees and expenses. In many cases, clients could invest in these investment vehicles directly, but they would not have the benefit of our professional experience in selecting and allocating their assets. The foregoing fees are exclusive of and in addition to the fees charged by Cornerstone Wealth. Please refer to Item 12 of this Brochure entitled "Brokerage Practices" for additional important information.

### **Termination & Refunds**

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You may terminate our services at any time by providing us with written notice of your desire to do so. Upon receipt of your termination request, we will initiate the process to close out your account, and we will refund any prepaid but unearned portion of our advisory fee to you. For fees charged in arrears, we will instruct the custodian to deduct any unpaid fees we are owed from your account, or otherwise seek payment of our fees from you in accordance with previous fee billing practices.

Termination of services from external managers of separately managed accounts will be governed by the agreement with the external manager.

### **Commissionable Securities and Insurance Sales**

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Certain supervised persons of Cornerstone Wealth are also registered representatives of Mutual Securities, Inc., member FINRA/SIPC and may accept compensation for the sale of securities or other investment products, including distribution or service ("trail") fees from the sale of mutual funds, variable annuities and 529 plans held in non-advisory accounts. In addition, certain supervised persons are also, in their individual capacities, licensed insurance agents appointed with various insurance companies. Clients should be aware that the practice of accepting commissions for the sale of securities or insurance creates an incentive to recommend products based on compensation received rather than based on a client's needs.

We seek to mitigate this conflict of interest through disclosure and are required to recommend only investments we reasonably believe to be in the best interest of our clients. Supervised persons of Cornerstone Wealth do not receive commissions, distribution or service fees relating to the sale of securities or investment products held in advisory accounts (e.g., they do not “double dip.”) Please refer to Item 10 below for additional information regarding these arrangements.

### Item 6: Performance-Based Fees & Side-By-Side Management

We do not charge performance fees (a fee that is based on gains in client accounts), and so we have nothing to disclose in response to this item.

### Item 7: Types of Clients

We provide services to the following types of clients:

- Individuals and High Net Worth Individuals;
- Trusts, Estates or Charitable Organizations;
- Retirement Plans;
- Other Advisers; and
- Corporations, limited liability companies and/or other business types.

Cornerstone Wealth does not have minimum asset requirements for opening and maintaining accounts or otherwise engaging us. Regardless, the client understands that asset withdrawals may impair the achievement of the client’s investment objectives. In addition, Cornerstone Wealth retains the right to accept or decline a potential client, or terminate an advisory agreement with a current client, for any reason in its sole discretion.

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

We typically invest client portfolios in accordance with models constructed to align with clients’ investment objectives and risk tolerance. Client assets are typically invested in equity securities of individual companies, mutual funds, ETFs, and bond funds. Where appropriate, sleeves of client portfolios are managed and/or the management models are provided by third-party managers. For clients who meet financial qualification standards, are interested and are able to bear the risk, we may allocate some of their assets to alternative investments. Our investment committee typically meets on a bi-weekly basis to discuss macroeconomic themes, asset allocation decisions, performance outliers, and changes to our investment models.

#### **Risk of Loss**

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Investing involves a significant risk of loss which clients should be prepared to bear. Cornerstone Wealth’s investment recommendations are subject to various market, currency, economic, political, and business risks, and such investment decisions may not always be profitable. Clients should be aware that there may be a loss or depreciation to the value of the client’s account. There can be no assurance that the client’s investment objectives will be obtained and no inference to the contrary should be made.

Generally, the market value of equity stocks will fluctuate with market conditions, and small- stock prices generally will fluctuate more than large-stock prices. The market value of fixed income securities will

generally fluctuate inversely with interest rates and other market conditions prior to maturity. Fixed income securities are obligations of the issuer to make payments of principal and/or interest on future dates, and include, among other securities: bonds, notes and debentures issued by corporations; debt securities issued or guaranteed by the U.S. government or one of its agencies or instrumentalities, or by a non-U.S. government or one of its agencies or instrumentalities; municipal securities; and mortgage-backed and asset-backed securities. These securities may pay fixed, variable, or floating rates of interest, and may include zero coupon obligations and inflation-linked fixed income securities. The value of longer duration fixed income securities will generally fluctuate more than shorter duration fixed income securities.

Investments in overseas markets also pose special risks, including currency fluctuation and political risks, and it may be more volatile than that of a U.S. only investment. Such risks are generally intensified for investments in emerging markets. In addition, there is no assurance that a mutual fund or ETF will achieve its investment objective.

Past performance of investments is no guarantee of future results.

Additional risks involved in the securities recommended by Cornerstone Wealth may include, among others:

- *Stock market risk*, which is the chance that stock prices overall will decline. The market value of equity securities will generally fluctuate with market conditions. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices. Prices of equity securities tend to fluctuate over the short term as a result of factors affecting the individual companies, industries, or the securities market as a whole. Equity securities generally have greater price volatility than fixed income securities.
- *Sector risk*, which is the chance that significant problems will affect a particular sector, or that returns from that sector will trail returns from the overall stock market. Daily fluctuations in specific market sectors are often more extreme than fluctuations in the overall market.
- *Issuer risk*, which is the risk that the value of a security may decline for reasons directly related to the issuer, such as management performance, financial leverage, and reduced demand for the issuer's goods or services.
- *Non-diversification risk*, which is the risk of focusing investments on a small number of issuers, industries, or foreign currencies, including being more susceptible to risks associated with a single economic, political or regulatory occurrence than a more diversified portfolio might be.
- *Value investing risk*, which is the risk that value stocks may not increase in price, may not issue the anticipated stock dividends, or may decline in price, either because the market fails to recognize the stock's intrinsic value, or because the expected value was mis-gauged. If the market does not recognize that the securities are undervalued, the prices of those securities might not appreciate as anticipated. They also may decline in price even though in theory they are already undervalued. Value stocks are typically less volatile than growth stocks, but may lag behind growth stocks in an up market.
- *Smaller company risk*, which is the risk that the value of securities issued by a smaller company may go up or down, sometimes rapidly and unpredictably as compared to more widely held

securities. Investments in smaller companies are subject to greater levels of credit, market, and issuer risk.

- *Foreign (non-U.S.) investment risk*, which is the risk that investing in foreign securities may result in the portfolio experiencing more rapid and extreme changes in value than a portfolio that invests exclusively in securities of U.S. companies. Risks associated with investing in foreign securities include fluctuations in the exchange rates of foreign currencies that may affect the U.S. dollar value of a security, the possibility of substantial price volatility as a result of political and economic instability in the foreign country, less public information about issuers of securities, different securities regulation, different accounting, auditing and financial reporting standards and less liquidity than in the U.S. markets.
- *Liquidity risk*, which is the risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimize a loss.
- *Interest rate risk*, which is the chance that prices of fixed income securities will decline because of rising interest rates. Similarly, the income from fixed income securities may decline because of falling interest rates.
- *Credit risk*, which is the chance that an issuer of a fixed income security will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that fixed income security to decline.
- *Exchange Traded Fund (ETF) risk*, which is the risk of an investment in an ETF, including the possible loss of principal. ETFs typically trade on a securities exchange and the prices of their shares fluctuate throughout the day based on supply and demand, which may not correlate to their net asset values. Although ETF shares will be listed on an exchange, there can be no guarantee that an active trading market will develop or continue. Owning an ETF generally reflects the risks of owning the underlying securities it is designed to track. ETFs are also subject to secondary market trading risks. In addition, an ETF may not replicate exactly the performance of the index it seeks to track for a number of reasons, including transaction costs incurred by the ETF, the temporary unavailability of certain securities in the secondary market, or discrepancies between the ETF and the index with respect to weighting of securities or number of securities held.
- *Management risk*, which is the risk that the investment techniques and risk analyses applied by Cornerstone Wealth may not produce the desired results and that legislative, regulatory, or tax developments, may affect the investment techniques available to Cornerstone Wealth. There is no guarantee that a client's investment objectives will be achieved.
- *Real Estate risk*, which is the risk that an investor's investments in Real Estate Investment Trusts ("REITs") or real estate-linked derivative instruments will subject the investor to risks similar to those associated with direct ownership of real estate, including losses from casualty or condemnation, and changes in local and general economic conditions, supply and demand, interest rates, zoning laws, regulatory limitations on rents, property taxes and operating expenses. An investment in REITs or real estate-linked derivative instruments subject the investor to management and tax risks.

- *Investment Companies (“Mutual Funds”) risk*, when an investor invests in mutual funds, the investor will bear additional expenses based on his/her pro rata share of the mutual fund’s operating expenses, including the management fees. The risk of owning a mutual fund generally reflects the risks of owning the underlying investments the mutual fund holds.
- *Commodity risk*, generally commodity prices fluctuate for many reasons, including changes in market and economic conditions or political circumstances (especially of key energy-producing and consuming countries), the impact of weather on demand, levels of domestic production and imported commodities, energy conservation, domestic and foreign governmental regulation (agricultural, trade, fiscal, monetary and exchange control), international politics, policies of OPEC, taxation and the availability of local, intrastate and interstate transportation systems and the emotions of the marketplace. The risk of loss in trading commodities can be substantial.

*Private Investment Funds:* We recommend that certain clients invest their assets in private investment funds, such as hedge funds or private equity funds. Private investment funds are generally illiquid, are less regulated than publicly traded securities, can be leveraged and are only appropriate for financially sophisticated investors with sufficient risk tolerance to withstand the loss of their investment in the fund. Clients are encouraged to carefully review the risk factors contained in the private offering memorandum for the relevant fund before they invest.

There also are risks surrounding various insurance products that are recommended to Cornerstone Wealth clients from time to time. Such risks include, but are not limited to, loss of premiums. Prior to purchasing any insurance product, clients should carefully read the policy and applicable disclosure documents.

Clients are advised that they should only commit assets for management that can be invested for the long term, that volatility from investing can occur, and that all investing is subject to risk. Cornerstone Wealth does not guarantee the future performance of a client’s portfolio, as investing in securities involves the risk of loss that clients should be prepared to bear.

## **Cybersecurity**

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The computer system, networks and devices used by Cornerstone Wealth and service providers to us and our clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operation, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invest; governmental and other regulatory authorities; exchange and other financial market



operators or institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

### Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

### Item 10: Other Financial Industry Activities & Affiliations

Some of our supervised persons are registered representatives of Mutual Securities, Inc., member FINRA/SIPC. They may offer securities and receive normal and customary commissions as a result of securities transactions. This presents a conflict of interest to the extent that the supervised person recommends that a client invest in a security which results in a commission being paid to the supervised person. As a result of this relationship, Mutual Securities, Inc. may have access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about clients, even if client does not establish an account through Mutual Securities, Inc. If you would like a copy of the Mutual Securities, Inc. privacy policy, please contact our Chief Compliance Officer as described on the cover page of this Brochure. Clients should be aware that the receipt of additional compensation itself creates an inherent conflict of interest and may affect the judgment of these individuals when making recommendations. Cornerstone Wealth and Mutual Securities, Inc. are separate, nonaffiliated entities. Nevertheless, to the extent that a Cornerstone Wealth supervised person recommends the purchase of securities or other investment products where the supervised person receives commissions for doing so, a conflict of interest exists because the supervised person may be incentivized to make recommendations based on the compensation received rather than on a client's needs.

Certain of our supervised persons, in their individual capacities, are also licensed insurance agents with various insurance companies, and in such capacity, may recommend, on a fully disclosed commission basis, the purchase of certain insurance products. While the Firm does not sell such insurance products to our investment advisory clients, we permit our supervised persons, in their individual capacities as licensed insurance agents, to sell insurance products to our investment advisory clients. A conflict of interest exists to the extent that the Firm recommends the purchase of insurance products where our supervised persons receive insurance commissions or other additional compensation.

Cornerstone Wealth has also adopted certain procedures designed to mitigate the effects of these conflicts. As part of our fiduciary duty to clients, the Firm and our supervised persons always endeavor to put the interests of the clients first and recommendations will only be made to the extent that they are reasonably believed to be in the best interests of the client. Additionally, the conflicts presented by these practices are disclosed to clients through this Brochure, client agreement and/or verbally prior to or at the time of entering into an Agreement. Clients are not obligated to implement recommended transactions through any Cornerstone Wealth supervised person or any particular broker-dealer or insurance carrier. Clients have the option to purchase any recommended investment and insurance products or services through brokers, carriers, or agents other than Mutual Securities, Inc. and/or any Cornerstone Wealth supervised person. Supervised persons of Cornerstone Wealth do not receive commissions, distribution or service fees relating to the sale of securities or investment products held in advisory accounts (e.g., they do not "double dip.")

#### Focus Financial Partners

As noted above in Item 4, certain funds affiliated with CD&R collectively are indirect majority owners of Focus LLC, and certain investment vehicles affiliated with Stone Point are indirect owners of Focus LLC.

Because Cornerstone Wealth is an indirect, wholly-owned subsidiary of Focus LLC, CD&R and Stone Point investment vehicles are indirect owners of Cornerstone Wealth.

### UPTIQ Credit and Cash Management Solutions

We offer clients the option of obtaining certain financial solutions from unaffiliated third-party financial institutions through UPTIQ Treasury & Credit Solutions, LLC (together with UPTIQ, Inc. and its affiliates, “UPTIQ”). These third-party financial institutions are banks and non-banks that offer credit and cash management solutions to our clients, as well as certain other unaffiliated third parties that provide administrative and settlement services to facilitate UPTIQ’s cash management solutions. UPTIQ acts as an intermediary to facilitate our clients’ access to these credit and cash management solutions.

We are a wholly owned subsidiary of Focus Financial Partners, LLC (“Focus”). Focus is a minority investor in UPTIQ, Inc. UPTIQ is compensated by sharing in the revenue earned by such third-party financial institutions for serving our clients. The revenue paid to UPTIQ also benefits UPTIQ Inc.’s investors, including Focus. When legally permissible, UPTIQ also shares a portion of this earned revenue with our affiliate, Focus Solutions Holdings, LLC (“FSH”). For non-residential mortgage loans made to our clients, UPTIQ will share with FSH up to 25% of all revenue it receives from the third-party financial institutions. For securities-backed lines of credit (“SBLOCs”) made to our clients, UPTIQ will share with FSH up to 75% of all revenue it receives from such third-party financial institutions. For cash management products and services provided to our clients, UPTIQ will share with FSH up to 33% of all revenue it receives from the third-party financial institutions and other intermediaries that provide administrative and settlement services in connection with this program. This earned revenue is indirectly paid by our clients through an increased interest rate charged by the third-party financial institutions for credit solutions or reduced yield paid by the providers of cash management solutions. FSH distributes this revenue to us when we are licensed to receive such revenue (or when no such license is required) and the distribution is not otherwise legally prohibited. This revenue is also revenue for FSH’s and our common parent company, Focus. Additionally, the volume generated by our clients’ transactions allows Focus to negotiate better terms with UPTIQ, which benefits Focus and us. Accordingly, we have a conflict of interest when recommending UPTIQ’s services to clients because of the compensation to us and to our affiliates, FSH and Focus, and the transaction volume to UPTIQ. We mitigate this conflict by: (1) fully and fairly disclosing the material facts concerning the above arrangements to our clients, including in this Brochure; and (2) offering UPTIQ’s solutions to clients on a strictly nondiscretionary and fully disclosed basis, and not as part of any discretionary investment services. Additionally, we note that clients who use UPTIQ’s services will receive product-specific disclosure from the third-party financial institutions and other unaffiliated third-party intermediaries that provide services to our clients.

We have an additional conflict of interest when we recommend credit solutions to our clients because our interest in continuing to receive investment advisory fees from client accounts gives us a financial incentive to recommend that clients borrow money rather than liquidate some or all of the assets we manage.

### Credit Solutions

Clients retain the right to pledge assets in accounts generally, subject to any restrictions imposed by clients’ custodians. While credit solution programs that we offer facilitate secured loans through third-party financial institutions, clients are free instead to work directly with institutions outside such programs. Because of the limited number of participating third-party financial institutions, clients may be limited in their ability to obtain as favorable loan terms as if the client were to work directly with other banks to negotiate loan terms or obtain other financial arrangements.

Clients should also understand that pledging assets in an account to secure a loan involves additional risk and restrictions. A third-party financial institution has the authority to liquidate all or part of the pledged securities at any time, without prior notice to clients and without their consent, to maintain required collateral levels. The

third-party financial institution also has the right to call client loans and require repayment within a short period of time; if the client cannot repay the loan within the specified time period, the third-party financial institution will have the right to force the sale of pledged assets to repay those loans. Selling assets to maintain collateral levels or calling loans may result in asset sales and realized losses in a declining market, leading to the permanent loss of capital. These sales also may have adverse tax consequences. Interest payments and any other loan-related fees are borne by clients and are in addition to the advisory fees that clients pay us for managing assets, including assets that are pledged as collateral. The returns on pledged assets may be less than the account fees and interest paid by the account. Clients should consider carefully and skeptically any recommendation to pursue a more aggressive investment strategy in order to support the cost of borrowing, particularly the risks and costs of any such strategy. More generally, before borrowing funds, a client should carefully review the loan agreement, loan application, and other forms and determine that the loan is consistent with the client's long-term financial goals and presents risks consistent with the client's financial circumstances and risk tolerance.

We use UPTIQ to facilitate credit solutions for our clients.

### Cash Management Solutions

For cash management programs, certain third-party intermediaries provide administrative and settlement services to our clients. Engaging third-party financial institutions and other intermediaries to provide cash management solutions does not alter the manner in which we treat cash for billing purposes. Clients should understand that in rare circumstances, depending on interest rates and other economic and market factors, the yields on cash management solutions could be lower than the aggregate fees and expenses charged by the third-party financial institutions, the intermediaries referenced above, and us. Consequently, in these rare circumstances, a client could experience a negative overall investment return with respect to those cash investments. Nonetheless, it might still be reasonable for a client to participate in a cash management program if the client prefers to hold cash at the third-party financial institutions rather than at other financial institutions (e.g., to take advantage of FDIC insurance).

We use UPTIQ to facilitate cash management solutions for our clients.

### Focus Risk Solutions

We help clients obtain certain insurance products from unaffiliated insurance companies by introducing clients to our affiliate, Focus Risk Solutions, LLC ("FRS"), a wholly owned subsidiary of our parent company, Focus Financial Partners, LLC ("Focus"). FRS acts as an intermediary to facilitate our clients' access to insurance products. FRS has agreements with certain third-party insurance brokers (the "Brokers") under which the Brokers assist our clients with regulated insurance sales activity.

If FRS refers one of our clients to a Broker and there is a subsequent purchase of insurance through the Broker, FRS will receive a portion of the upfront and/or ongoing commissions paid to the Broker by the insurance carrier with which the policy was placed. The amount of revenue earned by FRS for the sale of these insurance products will vary over time in response to market conditions. The amount of insurance commission revenue earned by FRS is considered for purposes of determining the amount of additional compensation that certain of our financial professionals are entitled to receive. The amount of revenue earned by FRS for a particular insurance product will also differ from the amount of revenue earned by FRS for other types of insurance products. This revenue is also revenue for our and FRS's common parent company, Focus. Accordingly, we have a conflict of interest when recommending FRS's services to clients because of the compensation to certain of our financial professionals and to our affiliates, FRS, and Focus. We address this conflict by: (1) fully and fairly disclosing the material facts concerning the above arrangements to our clients, including in this Brochure; and (2) offering FRS solutions to clients on a strictly nondiscretionary and fully disclosed basis, and not as part of any discretionary investment services.

Additionally, we note that clients who use FRS's services will receive product-specific disclosure from the Brokers and insurance carriers and other unaffiliated third-party intermediaries that provide services to our clients.

The insurance premium is ultimately dictated by the insurance carrier, although in some circumstances the Brokers or FRS may have the ability to influence an insurance carrier to lower the premium of the policy. The final rate may be higher or lower than the prevailing market rate, and may be higher than if the policy was purchased directly through the Broker without the assistance of FRS. We can offer no assurances that the rates offered to you by the insurance carrier are the lowest possible rates available in the marketplace.

### SmartAsset

As stated earlier in this Brochure, Cornerstone Wealth is a wholly owned subsidiary of Focus. Focus is one of several minority investors in SmartAsset, which seeks to match prospective advisory clients with investment advisors. Focus has one director on SmartAsset's board as well as a board observer. Cornerstone Wealth's payment of fee to SmartAsset benefits SmartAsset's investors, including Focus, our parent company.

### SCS Private Funds

As stated earlier in Items 4 and 5 of this Brochure, under certain circumstances we offer our clients the opportunity to invest in pooled investment vehicles managed by SCS. SCS provides these services to such clients pursuant to limited partnership agreement documents and in exchange for a fund-level management fee and performance fee paid by our clients and not by us. SCS, like Cornerstone Wealth, is an indirect wholly owned subsidiary of Focus LLC and is therefore under common control with Cornerstone Wealth. The allocation of our clients' assets to SCS's pooled investment vehicles, rather than to an unaffiliated investment manager, increases SCS's compensation and the revenue to Focus LLC relative to a situation in which our clients are excluded from SCS's pooled investment vehicles. As a consequence, Focus LLC has a financial incentive to encourage Cornerstone Wealth to recommend that our clients invest in SCS's pooled investment vehicles, which creates a conflict of interest with those Cornerstone Wealth clients who invest in SCS's pooled investment vehicles. More information about Focus LLC can be found at [www.focusfinancialpartners.com](http://www.focusfinancialpartners.com).

We believe this conflict is mitigated because of the following factors: (1) this arrangement is based on our judgment that investing a portion of Cornerstone Wealth clients' assets in SCS's investment vehicles is in the best interests of the affected clients; (2) SCS and its investment vehicles have met the due diligence and performance standards that we apply to outside, unaffiliated investment managers; (3) subject to redemption restrictions, we are willing and able to reallocate Cornerstone Wealth client assets to other unaffiliated investment vehicles, in part or in whole, if SCS's services become unsatisfactory in our judgment and at our sole discretion; and (4) we have fully and fairly disclosed the material facts regarding this relationship to you, including in this Brochure, and Cornerstone Wealth clients who invest in SCS's pooled investment vehicles have given their informed consent to those investments.

### Williams Jones

As stated earlier in Items 4 and 5 of this Brochure, we have retained our affiliate, Williams Jones, through a subsidiary agreement to provide investment subadvisory services to certain of our clients. Williams Jones provides these services to such clients pursuant to a subadvisory agreement and in exchange for a subadvisory fee paid by our clients. Williams Jones, like us, is an indirect wholly owned subsidiary of Focus

LLC and therefore under common control with us. The allocation of our clients' assets to Williams Jones pursuant to a subadvisory arrangement, rather than to an unaffiliated investment manager, increases Williams Jones' compensation and the revenue to Focus LLC, relative to a situation in which our clients' assets are managed by an unaffiliated manager. As a consequence, Focus LLC has a financial incentive to encourage us to recommend that a portion of our clients' assets be subadvised by Williams Jones, which creates a conflict of interest with those clients who are subadvised by Williams Jones.

More information about Focus LLC can be found at [www.focusfinancialpartners.com](http://www.focusfinancialpartners.com). We believe this conflict is mitigated because of the following factors: (1) the retention of Williams Jones as a subadvisor is based on our judgement that such retention is in the best interest of our affected clients; (2) Williams Jones has met the due diligence standards that we apply to outside investment managers; (3) we are willing and able to terminate Williams Jones' services, in part or in whole, if Williams Jones' services become unsatisfactory in the judgement of, and at the sole discretion of, us; and (4) we have fully and fairly disclosed the material facts regarding this relationship, including in this Brochure, to our clients for whom we recommend that Williams Jones serve as subadvisor, and such clients have therefore given their informed consent to this conflict.

### Origin

Cornerstone Wealth has a business relationship with other Focus firms that is material to our advisory business or to our clients. Under certain circumstances we offer our clients the opportunity to invest in pooled investment vehicles managed by Origin. Origin provides these services to such clients pursuant to limited liability company agreement or limited partnership agreement documents and in exchange for a fund-level management fee and performance fee paid by our clients and not by us. Origin, like Cornerstone Wealth, is an indirectly wholly owned subsidiary of Focus LLC and is therefore under common control with Cornerstone Wealth. The allocation of our clients' assets to Origin's pooled investment vehicles, rather than to an unaffiliated investment manager, increases Origin's and indirectly, Focus LLC's compensation and revenue. As a consequence, Focus LLC has a financial incentive to encourage Cornerstone Wealth to recommend that our clients invest in Origin's pooled investment vehicles, which creates a conflict of interest with Cornerstone Wealth clients who invest, or are eligible to invest, in Origin's pooled investment vehicles. More information about Focus LLC can be found at [www.focusfinancialpartners.com](http://www.focusfinancialpartners.com).

We believe this conflict is mitigated because of the following factors: (1) this arrangement is based on our reasonable belief that investing a portion of Cornerstone Wealth's clients' assets in Origin's investment vehicles is in the best interest of the clients; (2) Origin and its investment vehicles have met the due diligence standards and performance standards that we apply to outside, unaffiliated investment managers; (3) clients will invest in the pooled investment vehicles on a nondiscretionary basis through the completion of subscription documentation (4) subject to redemption restrictions, we are willing and able to reallocate Cornerstone Wealth client assets to other unaffiliated or affiliated investment vehicles, in part or in whole, if Origin's services become unsatisfactory in our judgment and at our sole discretion; and (5) we have fully and fairly disclosed the material facts regarding this relationship to you, including in this Brochure, to our clients for whom invest in Origin's pooled investment vehicles have given their informed consent to those investments.

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

### Code of Ethics Summary

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Cornerstone Wealth has adopted a Code of Ethics (“Code”) which establishes standards of conduct for our supervised persons and includes general requirements that such supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It contains written policies reasonably designed to prevent the unlawful use of material non-public information by the Firm or any of our associated persons. The Code also requires that certain of Cornerstone Wealth personnel (called “Access Persons”) report their personal securities holdings and transactions and obtain pre- approval of certain investments such as initial public offerings and limited offerings.

The Code also requires supervised persons to report any violations of the Code promptly to the Firm’s Chief Compliance Officer. Each supervised person receives a copy of the Code and any amendments to it and must acknowledge in writing having received the materials. Annually, each supervised person must certify that he or she complied with the Code during that year.

Cornerstone Wealth will provide a copy of its Code of Ethics to any client or prospective client upon request by contacting us at (704) 987-3410.

### Participation or Interest in Client Transactions

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It is Cornerstone Wealth’s policy not to enter into any principal transactions or agency cross transactions on behalf of client accounts. Principal transactions occur where an adviser, acting as principal for its own account, buys securities from or sells securities to any advisory client. Agency cross transactions occur where a person acts as an investment adviser in relation to a transaction in which the adviser, or an affiliate of the adviser, acts as broker for both the advisory client and for another person on the other side of the transaction.

Cornerstone Wealth or individuals associated with Cornerstone Wealth may buy or sell for their personal account(s) securities or investment products that Cornerstone Wealth recommends to clients. Employee personal securities trading implicates potential conflicts of interest with our clients. We have adopted a Code of Ethics designed to mitigate the potential conflicts through reporting, monitoring and, under certain circumstances, requiring preclearance of employee securities transactions. A copy of our Code of Ethics is available to clients upon request.

Cornerstone Wealth recommends that certain of our clients invest in a private investment fund managed by an affiliated Focus partner firm. Please refer to Items 4, 5, and 10 for additional information.

## Item 12: Brokerage Practices

### Selecting a Brokerage Firm

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Cornerstone Wealth generally recommends that investment management accounts be maintained at National Financial Services LLC and Fidelity Brokerage Services LLC (“Fidelity”), as well as Charles Schwab & Co., Inc. (“Schwab”). Prior to engaging the Firm to provide investment management services, the client will be required to enter into a formal investment advisory agreement with Cornerstone Wealth setting forth the terms and conditions under which the Firm will manage the client’s assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that the Firm considers in recommending Fidelity and/or Schwab (or any other broker-dealer/custodian to clients) include historical relationship with Cornerstone Wealth, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by the Firm’s clients will comply with the Firm’s duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Cornerstone Wealth determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer’s services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Cornerstone Wealth will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Cornerstone Wealth’s investment management fee. The Firm’s best execution responsibility is fulfilled if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

### **Custodian Benefits**

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Cornerstone Wealth may receive from Fidelity and/or Schwab (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products, certain of which assist Cornerstone Wealth to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by the Firm may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Cornerstone Wealth in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that may be received may assist the Firm in managing and administering client accounts. Others do not directly provide such assistance, but rather assist the Firm to manage and further develop its business enterprise and offset costs that Cornerstone Wealth would otherwise be required to bear. In addition, the support services and/or products provided by a broker-dealer/custodian may be used to service all or a substantial number of the Firm’s client accounts, including accounts not maintained at the broker-dealer/custodian providing the services and/or products.

Cornerstone Wealth receives the following benefits from Fidelity:

- Free trading for transaction-based accounts (with e-delivery) for the first 45-days the accounts are opened;
- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk that exclusively services its institutional traders;

- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and
- Access to an electronic communication network for client order entry and account information.

Cornerstone Wealth does not consider whether it will receive client referrals in connection with selecting or recommending broker-dealers.

Cornerstone Wealth's clients do not pay more for investment transactions effected and/or assets maintained at Fidelity and/or Schwab as a result of this arrangement. There is no corresponding commitment made by Cornerstone Wealth to Fidelity and/or Schwab or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities, or other investment products as result of the above arrangement. Also, any benefits received by Cornerstone Wealth from Fidelity and/or Schwab do not depend on the amount of brokerage transactions directed to Fidelity and/or Schwab. As part of its fiduciary duty to clients, Cornerstone Wealth endeavors at all times to put the interests of clients first. Clients and future clients should be aware, however, that the receipt of economic benefits by Cornerstone Wealth in and of itself creates a potential conflict of interest and may indirectly influence the Firm's recommendation to clients to utilize Fidelity and/or Schwab for custody and brokerage services.

### **Brokerage for Client Referrals**

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The Firm does not direct brokerage for client referrals.

### **Permissibility of Client-Directed Brokerage**

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We do not allow client-directed brokerage outside our custodial recommendations.

### **Special Considerations for ERISA Clients**

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A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, we will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

### **Trade Aggregation and Allocation**

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From time-to-time Cornerstone may determine, based on a variety of reasons, that the purchase or sale of a particular security, including initial or secondary public offerings ("Public Offerings"), is appropriate for multiple client accounts. When this happens, Cornerstone may also determine that it is appropriate in the interest of efficient and effective execution to attempt to execute the trade orders as one or more block trades (i.e. aggregate the securities to be traded for each such account into one or more trade orders). Under this process, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Cornerstone Wealth does not receive any additional compensation or remuneration as a result of such aggregation.

Trade Errors



Cornerstone's goal is to execute trades seamlessly and in the best interests of the client. In the event a trade error by Cornerstone occurs, Cornerstone endeavors to identify the error in a timely manner, correct the error so that the client's account is in the same position than it would have been had the error not occurred.

For trade errors for clients custodied with Fidelity, a trade correction account is maintained. If a trade error is processed through the account, Cornerstone is required to submit, in a timely fashion, a trade correction request and attestation form. Through such corrective action, the client's account is placed in the position than it would have been had there been no error. A trade correction account statement is provided by Fidelity for periods in which a trade error occur. The statement lists trade corrections made through the account during the period. Corrections generally have a gain or loss resulting from market movement between the time of the error and time of correction. At the end of the month, gains and losses are netted. A net gain will be sent to a charity of Fidelity's choice. A net loss is the responsibility of Cornerstone. Conflicts of interest in maintaining a trade correction account are mitigated by Cornerstone's policies and procedures designed to prevent and promptly correct trade errors and the requirement that Fidelity approve the trade error correction.

### Item 13: Review of Accounts

We review accounts on at least a regular basis, no less than at least annually, but likely more often, for our clients for whom we manage assets. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Financial Planning clients who receive ongoing planning services will receive annual reviews. Only our Financial Advisors or Portfolio Managers will conduct reviews. We do not provide written reports to clients, unless asked to do so. Oral reports to clients take place on at least an annual basis when we contact our clients for whom we manage assets.

We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events or requests by the client. Clients are encouraged to notify the Firm of any changes to his/her personal financial situation that might affect his/her investment needs, objectives, or time horizon.

### Item 14: Client Referrals & Other Compensation

#### **Economic Benefits Received**

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As noted above in Item 12, Cornerstone Wealth receives certain support services and/or products from Fidelity and/or Schwab. See Item 12 above for information regarding these support services and/or products.

#### **Referral Fees**

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Cornerstone Wealth has arrangements in place with certain third parties, called solicitors, under which such solicitors refer clients to us in exchange for a percentage of the advisory fees we collect from such referred clients. Such compensation creates an incentive for the solicitors to refer clients to us, which is a conflict of interest for the solicitors. Rule 206(4)-1 of the Advisers Act addresses this conflict of interest by, among other things, requiring disclosure of whether the solicitors is a client or a non-client and a description of the material conflicts of interest and material terms of the compensation arrangement with

the solicitor. Accordingly, we require solicitor to disclose to referred clients, in writing: whether the solicitor is a client or a non-client; that the solicitor will be compensated for the referral; the material conflicts of interest arising from the relationship and/or compensation arrangement; and the material terms of the compensation arrangement, including a description of the compensation to be provided for the referral.

#### SmartAsset

We pay a fee to participate in an online adviser matching program(s), Smart Asset, which seeks to match prospective advisory clients who have expressed an interest in finding an investment adviser with investment advisory firms. The adviser matching program provides the name and contact information of such persons to the advisory firms as potential leads. For our participation on the program, we pay a monthly fee per participating advisor for leads of clients with investible assets of more than \$1,000,000. The fee is payable regardless of whether the prospect becomes our advisory client.

#### Fidelity Wealth Advisor Solutions®

We participate in the Fidelity Wealth Advisor Solutions® Program (the "WAS Program"), through which we receive referrals from Fidelity Personal and Workplace Advisors LLC (FPWA), a registered investment advisor and Fidelity Investment company. Cornerstone Wealth is independent and not affiliated with FPWA or any Fidelity Investments company. FPWA does not supervise or control Cornerstone Wealth, and FPWA has no responsibility or oversight for Cornerstone Wealth's provision of investment management or other advisory services.

Under the WAS Program, FPWA acts as a solicitor for Cornerstone Wealth, and Cornerstone Wealth pays referral fees to FPWA for each referral received based on Cornerstone Wealth's assets under management attributable to each client referred by FPWA or members of each client's household. The WAS Program is designed to help investors find an independent investment advisor, and any referral from FPWA to us does not constitute a recommendation by FPWA of our particular investment managements services or strategies. More specifically, we pay the following amounts to FPWA for referrals: the sum of (i) an annual percentage of 0.10% of any and all assets in client accounts where such assets are identified as "fixed income" assets by FPWA and (ii) an annual percentage of 0.25% of all other assets held in client accounts. In addition, Cornerstone Wealth has agreed to pay FPWA an annual program fee of \$50,000 to participate in the WAS Program. These referral fees are paid by Cornerstone Wealth and not the client.

To receive referrals from the WAS Program, we must meet certain minimum participation criteria, but we have been selected for participation in the WAS Program as a result of its other business relationships with FPWA and its affiliates, including Fidelity Brokerage Services, LLC ("FBS"). As a result of its participation in the WAS Program, we have a conflict of interest with respect to its decision to use certain affiliates of FPWA, including FBS, for execution, custody and clearing for certain client accounts, and we could have an incentive to suggest the use of FBS and its affiliates to its advisory clients, whether or not those clients were referred to Cornerstone Wealth as part of the WAS Program. Under an agreement with FPWA, we have agreed that we will not charge clients more than the standard range of advisory fees disclosed in our Form ADV 2A Brochure, items 5, Fees & Compensation, to cover solicitation fees paid to FPWA as part of the WAS Program. Pursuant to these arrangements, we have agreed to not to solicit clients to transfer their brokerage account from affiliates of FPWA or establish brokerage accounts at other custodians for referred client other than when our fiduciary duties would so require, and we have agreed to pay FPWA a one-time fee equal to 0.75% of the assets in a client account that is transferred from FPWA's affiliates to another custodian; therefore, we have an incentive to suggest that referred clients and their household members maintain custody of their accounts with affiliates of FPWA. However, participation in the WAS Program does not limit Cornerstone Wealth's duty to select brokers based on best execution.

## Other Compensation

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Cornerstone Wealth's parent company Focus, from time to time, holds partnership meetings and other industry and best-practices conferences, which typically include Cornerstone Wealth, other Focus firms and external attendees. These meetings are first and foremost intended to provide training or education to personnel of Focus firms, including Cornerstone Wealth. However, the meetings do provide sponsorship opportunities for asset managers, asset custodians, vendors, and other third-party service providers. Sponsorship fees allow these companies to advertise their products and services to Focus firms, including Cornerstone Wealth. Although the participation of Focus firm personnel in these meetings is not preconditioned on the achievement of a sales target for any conference sponsor, this practice could nonetheless be deemed a conflict as the marketing and education activities conducted, and the access granted, at such meetings and conferences could cause Cornerstone Wealth to focus on those conference sponsors in the course of its duties. Focus attempts to mitigate any such conflict by allocating the sponsorship fees only to defraying the cost of the meeting or future meetings and not as revenue for itself or any affiliate, including Cornerstone Wealth. Conference sponsorship fees are not dependent on assets placed with any specific provider or revenue generated by such asset placement.

The following entities have provided conference sponsorship to Focus from January 1, 2023, to March 1, 2024:

- *Orion Advisor Technology, LLC*
- *TriState Capital Bank*
- *StoneCastle Network, LLC*
- *Charles Schwab & Co., Inc.*
- *Fidelity Brokerage Services LLC*
- *Fidelity Institutional Asset Management LLC*

You can access a more recently updated list of recent conference sponsors on Focus' website through the following link:

<https://focusfinancialpartners.com/conference-sponsors/>

Certain Cornerstone Wealth supervised persons have outside business activities that provide additional compensation. Please refer to Item 10 above for detailed information regarding the business activities, the compensation received, the related conflicts and how Cornerstone Wealth mitigates such conflicts.

### Item 15: Custody

We encourage our clients to raise any questions with us about the custody, safety, or security of their assets. All of our clients receive account statements directly from their custodians. Upon opening an account with a qualified custodian on a client's behalf, we promptly notify the client in writing of the qualified custodian's contact information.

We have legal custody over client accounts when we have the authority to debit our fees from client accounts and when we have authority through standing letters of authorization ("SLOAs") to direct transfers to third parties.

#### **Additional Information Regarding Custody:**

Fidelity and Schwab are qualified custodians and maintain custody of client funds and securities in a separate account for each client under the client's name. On at least a quarterly basis, your qualified custodian sends account statements showing all transactions, positions, and all deposits and withdrawals

of principal and income. Clients should carefully review those statements promptly when they receive them.

Although most securities available in program accounts are held at Fidelity and/or Schwab, there are certain securities managed as part of the account that are held at third parties. For example, variable annuities, hedge funds, private placements, managed futures, and other alternative investments are often held directly with the investment sponsor. For those outside positions, client will receive confirmations and statements directly from the investment sponsor.

**Additional Information for clients regarding custody for accounts utilizing our Advisory Managed and/or Sub-Adviser of Variable Annuities:**

Variable annuity subaccount assets are maintained by the insurance company issuing the variable annuity. Therefore, the insurance company selects the custodian(s) for subaccounts assets, which are generally mutual fund companies. Clients will receive confirmations and account statements relating to the variable annuity directly from the variable annuity insurance company. Clients should advise the insurance company or the Firm immediately if statements are not being received from the insurance company.

Client will not receive separate performance reports in connection with the investment advisory services provided by the Firm. Therefore, the client should review the account statements provided by the insurance company to determine the performance of the subaccount assets from one period to another, and over time.

**Item 16: Investment Discretion**

We accept discretionary authority to manage securities accounts on behalf of clients. Our clients need to sign a discretionary investment advisory agreement with the Firm, which contains a limited power of attorney authorizing discretionary trading of their assets, for the management of such accounts. This type of agreement only applies to asset management clients. We do not take or exercise discretion with respect to our other clients.

**Item 17: Voting Client Securities**

We do not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to the Firm, we will forward them on to the client. Clients may call, write, or email us to discuss questions they may have about particular proxy votes or other solicitations. In addition, clients maintain exclusive responsibility for all legal proceedings or other type events pertaining to their account assets, including, but not limited to, class action lawsuits.

**Item 18: Financial Information**

We do not require, nor do we solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we have not included a balance sheet for our most recent fiscal year. Cornerstone Wealth has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.

Cover Page for Part 2B of Form ADV: Brochure Supplement –  
Chief Investment Officer  
March 2023



**CORNERSTONE**  
W E A L T H

Cliff Hodge

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Huntersville, NC 28078  
704-987-3410  
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This brochure supplement provides information about Mr. Needleman that supplements our brochure. You should have received a copy of that brochure. Please contact Rachel Posner, Chief Compliance Officer, if you did not receive our firm's brochure or if you have any questions about the contents of this supplement. Additional information about Mr. Needleman is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2: Educational Background & Business Experience

### Cliff Hodge, CFA\*

Born 11/6/1985

#### **Educational Background:**

- Clemson University, BA Economics; 2008
- MBA University of South Carolina; 2014

#### **Business Background:**

- 04/2018 – Present; Cornerstone Wealth Group, LLC; Chief Investment Officer, Partner
- 07/2015 – 04/2018; FinTrust Capital Partners, INC; Portfolio Manager
- 08/2013 – 07/2015; Vanguard; Financial Analyst
- 06/2011 – 08/2013; Vanguard; HNW Relationship Manager
- 08/2010 – 05/2011; Vanguard; Client Service Specialist
- 06/2008 – 08/2010; Vanguard; Client Relationship Associate

#### **Examinations and Designations:**

- CFA® Charterholder

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute – the largest global association of investment professionals. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct. The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession. To learn more about the CFA charter, visit [www.cfainstitute.org](http://www.cfainstitute.org).

## Item 3: Disciplinary Information

For a review of Mr. Hodge's disclosure or disciplinary history you can go [BrokerCheck.finra.org](http://BrokerCheck.finra.org) and <https://adviserinfo.sec.gov/IARD/IARDsearch.aspx>

## Item 4: Other Business Activities

Mr. Hodge does not have any Outside Business Activities to report.

## Item 5: Additional Compensation

Mr. Hodge does not receive any other economic benefit outside of his salary and bonus structure.

## Item 6: Supervision

We have implemented a compliance program designed to monitor the investment activities of the Firm's personnel. Any questions about the compliance program should be directed to Rachel Posner, Chief Compliance Officer, who can be reached at (704) 987-3410. As Chief Executive Officer, Craig Rubrecht is responsible for the supervision of the Firm's personnel. Mr. Rubrecht can be reached by calling the number above.

**PRIVACY NOTICE REGARDING CLIENT PRIVACY AS REQUIRED BY  
REGULATION S-P & REGULATION S-AM**

**FACT**

**WHAT DOES CORNERSTONE WEALTH GROUP, LLC  
("CORNERSTONE WEALTH") DO WITH YOUR  
PERSONAL INFORMATION?**

**Why?**

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

**What?**

The types of personal information we collect, and share depends on the product or service you have with us. This information can include:

- Social Security number, name, address, and income
- Assets, account balances and account transactions
- Investment experience and risk tolerance

When you are no longer a customer, we continue to share your information as described in this notice.

**How?**

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Cornerstone Wealth chooses to share; and whether you can limit this sharing.

Reasons we can share your personal	Does Cornerstone	Can you limit this
<b>For our everyday business purposes</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes</b> to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	No	We do not share
<b>For our affiliates' everyday business purposes</b> information about your transactions and experiences	Yes	No
<b>For our affiliates' everyday business purposes</b> information about your creditworthiness	No	We do not share
<b>For non-affiliates to market to you</b>	No	We do not share

**What we do**

<b>How does Cornerstone Wealth protect my personal information?</b>	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
<b>How does Cornerstone Wealth collect my personal information?</b>	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>■ open an account or give us your income information</li> <li>■ tell us about your portfolio or deposit money</li> <li>■ enter into an investment advisory contract</li> </ul> <p><b>We also collect your personal information from other companies.</b></p>
<b>Why can't I limit all sharing?</b>	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>■ sharing for affiliates' everyday business purposes— information about your creditworthiness</li> <li>■ affiliates from using your information to market to you</li> <li>■ sharing for non-affiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>

<b>Definitions</b>	
<b>Affiliates</b>	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>■ Our affiliates include Focus Operating, LLC, Focus Risk Solutions, LLC, Williams Jones Wealth Management, LLC, and SCS Capital Management, LLC.</li> </ul>
<b>Non-affiliates</b>	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies. Cornerstone Wealth does not share with nonaffiliates so they can market to you.</p>
<b>Joint marketing</b>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>■ Cornerstone Wealth does not jointly market.</li> </ul>

<b>Additional Information:</b>