

## Introduction

Our firm, Cornerstone Wealth Advisors, Inc., is an investment adviser registered with the Securities and Exchange Commission. You should understand how advisory and brokerage services and fees differ in order to determine which type of advisory relationship is right for you. There are free and simple tools available to research firms and financial professionals at [www.investor.gov/CRS](http://www.investor.gov/CRS), which also provides educational materials about investing and differences between investment advisers and broker-dealers.

## What investment services and advice can you provide me?

Each of our financial professionals who provide advisory services to is a Certified Financial Planner (CFP®) practitioner. Our firm offers three advisory services: 1) one-time Comprehensive Financial Planning and Consulting; 2) Ongoing Comprehensive Planning, Advice and Wealth Management; 3) Ongoing Comprehensive Retirement Planning, Advice and Investment Management. Both ongoing services include management of your investment assets via an investment policy.

If you begin an advisory relationship with us, we'll first meet to understand your values, financial situation, goals, existing resources, objectives and risk tolerance. Based on what we learn, we'll provide specific advice and planning strategies for your cash flow, insurances, accumulation goals, retirement income planning, investments, income tax situation and estate/charitable planning. We'll also recommend an investment policy we can implement and monitor at least quarterly and rebalance as your needs, goals and conditions change. If you ask us to continue providing these ongoing advisory services, we'll contact you throughout the year and meet with you semi-annually (in-person or electronically) for a review. You can select whether we may buy and sell investments per our agreed-upon investment policy without asking you in advance (discretion) or only after receiving your permission (non-discretion). If you select non-discretion, you decide to accept or reject our recommendations for the purchase or sale of investments. Any limitations will be described in our signed advisory agreement. We will have discretion or non-discretion until our advisory relationship ends.

We do not restrict our advice to limited types of products or investments, and we do not impose minimum requirements for asset amounts to open and maintain accounts or otherwise engage us. We do not manage or monitor your investments unless you choose to have an ongoing Wealth Management or Investment Management relationship with us. *More about our services is in Item 4 of our Firm Brochure available online at [www.adviserinfo.sec.gov/firm/summary/124947](http://www.adviserinfo.sec.gov/firm/summary/124947)*

## What fees will I pay?

Our one-time fee for Comprehensive Financial Planning and Consulting ranges from \$3,000 - \$10,000.

For our ongoing services, we charge fees based, at least in part, on the amount of assets we manage for you. Annual fees for our Ongoing Comprehensive Planning, Advice and Wealth Management start at 1.00% and decline above \$1,000,000, at various thresholds, to 0.30% for managed assets over \$10,000,000.

Annual fees for Ongoing Comprehensive Retirement Planning, Advice and Investment Management have two components: 1) a fixed dollar amount, which increases annually, of \$3,000 - \$30,000 for the Retirement Planning and Advice portion; plus 2) an asset-based amount for the Investment Management portion starting at 0.40% and declining above \$1,000,000, at various thresholds, to 0.10% for managed assets over \$10,000,000. At a client's request, we may agree to offer one of these two advisory service components, but not the other.

The more assets of yours that we manage, even though the fee percentage may decline, the more money you will pay us in total fees. We therefore have an incentive to increase the assets we manage in order to increase the total fee you pay us. Fees vary and are negotiable. The amount you pay depends on the services we provide and the amount of assets which we manage. Our firm's fees are billed quarterly, in arrears, and are automatically deducted from your advisory account(s), which will reduce their value. We charge a minimum fee of \$5,000 annually (\$1,250 quarterly) to all new clients. In rare cases, we will agree to send you invoices to pay us directly rather than automatically deduct our fees from your advisory account(s).

The custodian broker-dealer holding your assets (usually Charles Schwab & Co.) may charge a transaction fee when we buy or sell a mutual fund or CD for you. There are no transaction fees at Schwab when we buy or sell a stock, bond or exchange-traded fund (ETF) for you. Transaction fees are in addition to our firm's fees for our Ongoing Wealth Management and our Ongoing Investment Management services.

You may pay charges to a broker-dealer for some investments and for maintaining your account. Investments such as mutual funds, index funds, exchange-traded funds, and variable annuities, charge additional fees that will reduce the value of your investments over time. In addition, you may have to pay fees such as "surrender charges" to sell variable annuities. We do not recommend investments with "surrender charges" to our clients.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying, both for our advisory services and within the specific investments we recommend.

*Additional information about our fees is in Item 5 of our Firm Brochure which is available online at [www.adviserinfo.sec.gov/firm/summary/124947](http://www.adviserinfo.sec.gov/firm/summary/124947)*

#### **What are your legal obligations to me when acting as my investment adviser? How else does your firm make money, and what conflicts of interest do you have?**

*When we act as a financial planner or investment adviser, we have a fiduciary obligation to act in your best interest at all times and to not put our interests before yours. We do not offer proprietary products. At the same time, the way we make money may create conflicts with your interests. You should understand and ask us about these conflicts because they can affect the financial planning and investment advice we provide you. The specific investments we recommend do not affect our fee structure nor pay us any commission. Here are some examples to help you understand what this may mean:*

1. Advice about whether to make a major purchase with cash, borrowed funds or a combination thereof;
2. Advice about whether to pay income taxes in advance of when required via Roth IRA conversions;
3. Advice about donating assets to charities or to a Donor-Advised Fund.

Our firm has an ownership interest in National Advisors Holdings, Inc., parent company of National Advisors Trust Co. This allows us to continue to manage a Trust for a client's family after their death. Our interest is less than one percent (< 1%) of the company's outstanding shares. For more information about this relationship, please see *Item 14 Client Referrals & Other Compensation* of our form ADV Part 2A. *More about our conflicts of interest is in Item 10 of our Firm Brochure available online at [www.adviserinfo.sec.gov/firm/summary/124947](http://www.adviserinfo.sec.gov/firm/summary/124947)*

#### **How do your financial professionals make money?**

Our financial professionals are compensated via salary, benefits and bonuses based on their expertise, experience, the revenue our firm earns from advisory services they provide, and the time and complexity required to meet a client's needs. We do not pay "signing bonuses" or other cash and non-cash compensation.

#### **Do you or your financial professionals have legal or disciplinary history?**

No. Our firm and financial professionals do not have any legal and disciplinary history to disclose. Visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for a free and simple search tool to research our firm and our financial professionals.

#### **Additional Information**

You can find additional information about our firm's financial planning, retirement planning, wealth management and investment advisory services on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching CRD #124947. Please contact us at (925) 920-3900 for a copy of this relationship summary and other up-to-date information.

#### **Questions to Ask Us:**

- Given my financial situation, should I choose one-time financial planning or ongoing advisory services? Why?
- What is your relevant experience, including your professional credentials, education, published research, licenses and other qualifications? What do those qualifications mean?
- How can I validate your expertise in the areas of financial planning, income tax management, estate/charitable planning and investment portfolio management?
- Have you published any research, articles or podcasts which may be relevant to my goals or situation?
- Will you have a legally-enforceable fiduciary obligation to me at all times? If not, please explain.
- How often will we meet and otherwise be in contact?
- How will you choose my portfolio strategy and the specific investments you recommend to me?
- What regular portfolio reporting and performance measurement can I expect? How often?
- Help me understand how your fees and other costs may affect my investments.
- How much of my initial investment amount will go to fees and costs, and how much will be invested for me? What are the internal expenses (as a percentage) of the portfolio strategy you recommend?
- How might any conflicts of interest affect me, and how will you address them?
- As a financial professional, do you have any disciplinary history? If so, for what type of conduct?
- Who is my primary contact person? Are they affiliated with or a representative of any other firm?
- Who can I talk to if I have concerns about how someone at your firm is treating me?