

## Introduction

Our firm, Cornerstone Wealth Advisors, Inc., is an investment adviser registered with the Securities and Exchange Commission. You should understand our various advisory services and 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 is a Certified Financial Planner (CFP®) practitioner. Our firm offers three advisory services: 1) one-time Comprehensive Financial Planning and Consulting; 2) Comprehensive Financial Planning, Advice and Investment Management; 3) Comprehensive Retirement Planning, Advice and Investment Management. Both ongoing services (#2 and #3) include management of your investment assets via an investment policy. We will not monitor your investments in the one-time Comprehensive Financial Planning and Consulting service.

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 and estate/charitable planning situation. We'll also recommend an investment policy to implement for your portfolio, monitor it at least quarterly and rebalance as your needs, goals and conditions change. If you ask us to continue providing these ongoing advisory services, we contact you throughout the year and meet semi-annually (in-person or electronically) for a review. You choose whether we may buy and sell investments per our agreed-upon investment policy without asking 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 any investments. This 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 investment management relationship with us (#2 and #3 above). *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)*

### Questions to Ask Us:

- Given my financial situation, should I choose an investment advisory service? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education and other qualifications? What do those qualifications mean?

## 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 Financial Planning, Advice and Investment Management service start at 1.00% and decline above \$1,000,000, at various thresholds, to 0.25% for managed assets over \$10,000,000.

Annual fees for our ongoing Comprehensive Retirement Planning, Advice and Investment Management service have two components: 1) a fixed dollar amount, which increases annually, of \$3,000 - \$40,000 for the Retirement Planning and Advice portion; plus 2) an asset-based amount for the Investment Management portion starting at 0.40% on the first \$1,000,000 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 clients. This fee may be discounted when performing these services for clients under the age of 40 and/or for relatives of our existing clients.

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 US listed 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 investments and maintaining your account. Investments such as mutual funds, index funds, exchange-traded funds and variable annuities charge additional fees that reduce the value of your investments over time. In addition, you may pay fees such as "surrender charges" to sell variable annuities. We do not recommend investments with "surrender charges". 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 be 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)*

**Questions to Ask Us:**

- Help me understand how these fees and costs may affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs and how much will be invested for me?

**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)*

**Questions to Ask Us:**

- How might your conflicts of interest affect me? How will you address them?

**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.

**Questions to Ask Us:**

- As an advisor, were you paid any type of bonus to join this firm? If so, how is that in my best interest?

**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.

**Questions to Ask Us:**

- As a financial professional, do you have any disciplinary history? For what type of conduct? In what public ways have you demonstrated your professionalism and expertise?

**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:**

- Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?