



# Cornerstone Wealth Strategies, Inc.

## Customer Relationship Summary

This brochure provides a summary of your relationship with Cornerstone Wealth Strategies, Inc. (“Cornerstone”), a Securities and Exchange Commission Registered Investment Adviser. Brokerage and investment advisory services and fees differ and it is important for you to understand the differences.

Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing. If you have any questions about the contents of this brochure, please contact us by telephone at (509) 396-0588 or by email at [info@cswwesteam.com](mailto:info@cswwesteam.com).

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

Cornerstone offers investment advisory services and brokerage services to retail investors. We are primarily a fee-based financial planning and investment management firm, but we do offer brokerage services on a limited basis for legacy assets. We do not sell commissionable annuities, nor do we commonly recommend the purchase of stocks, bonds, non-traded REITs or limited partnerships for a commission. We provide financial planning services and portfolio management as well as pension consulting. We offer wrap fee programs where the client pays one comprehensive fee to Cornerstone that includes a bundling of services such as investment advice, investment research, trading costs, and financial planning.

- **Monitoring:** As a part of our standard services, we regularly review investment advisory client accounts, including underlying securities within client accounts. The frequency and content of any ongoing reviews varies.
- **Investment Authority:** We accept discretionary authority for our clients, which means that we can place trades in your account without first gaining approval from you and without first notifying you of a proposed trade. We do not generally accept non-discretionary authority. Some of our clients request to be informed and consulted before we execute trades and we agree to honor such requests on a case by case basis.
- **Limited Investment Offerings:** Cornerstone has no proprietary products and offers a wide range of investment products such as stocks, bonds, exchange traded funds (ETFs), and mutual funds.
- **Account Minimums and Other Requirements:** There is no account minimum, although Cornerstone requires a minimum investment amount of \$500,000. We have the discretion to waive this investment minimum.
- **Additional Information:** You can find more detailed information about our services in our Form ADV, Part 2A. Please contact our office to request a copy at no charge to you.

### Conversation starters you may ask about relationships and services:

- “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 these qualifications mean?”

### What fees will I pay?

- **Principal Fees and Costs:** Cornerstone uses a single “wrap” fee that covers advisory fees, transaction costs and financial planning. The fee shown below is the annual fee which is automatically deducted from client’s assets and based on the amount of investable assets under management. Fees are billed quarterly (1/4 of the fee shown below each quarter) and payable in advance for the next three months of services. The fee is assessed March 31, June 30, September 30, and December 31.

Investable Assets	\$0-\$500K	\$500K-\$2M	\$2M-\$5M	\$5M+
Annual Fee	1.25%	1%	.75%	.5%

Note: Our fees may be negotiated in certain circumstances. Current client relationships may exist where the fees differ from the fee schedule above. Asset-based fees associated with the wrap fee program will include most transaction costs and fees to a broker-dealer that has custody of these assets, and therefore are higher than a typical asset-based advisory fee. Conflicts of interest: the more assets there are in your advisory account, the more you will pay in fees, and we may therefore have an incentive to encourage you to increase the assets in your account.

- **Fees for Financial Planning or Consulting Services:** We may charge an hourly or flat fee for Financial Planning and Consulting services. Our hourly fees range from \$150 to \$300. Flat fees vary greatly and could range from a minimum of \$1,500 to a maximum of \$30,000. The total estimated fee, as well as the ultimate fee that we charge you, is determined by both the complexity and time estimated to adequately prepare the plan and the scope of our engagement with you.

- **Other Fees and Costs:** LPL Financial charges an annual account fee of \$40 for all retirement accounts with assets under \$250,000. Mutual funds and ETFs charge internal management fees, which reduce the return of investments over time. We do not receive any portion of these charges; we are compensated only through our own advisory fees.
- **Additional Information:** 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. You can find more detailed information about our services in our Form ADV, Part 2A. Please contact our office to request a copy at no charge to you.

**Conversation starters you may ask about the impact of fees and costs on investments:**

- “Help me understand how these fees and costs might 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 your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means. Our primary conflict of interest is our receipt of asset-based fees. For example, if you ask us for a recommendation about paying down outstanding debt or making charitable contributions, versus keeping those funds in your account with us, we have a conflict of interest in making the recommendation because we earn more advisory fees when you keep more assets in your account. However, we will always make the recommendation that we believe is in your best interest.

The only direct revenue we receive is from the advisory fees charged to your accounts. However, we have an incentive to recommend our clients use LPL because we receive other benefits from them, such as access to research, technology services, and seminars. Our relationship with LPL also permits our advisors to offer brokerage services through LPL. Our Form ADV, Part 2A contains detailed information about our conflicts of interest. Please contact our office to request a copy at no charge to you.

**Conversation starters you may ask regarding conflicts of interest:**

- “How might your conflicts of interest affect me, and how will you address them?”

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

Our advisors are compensated two ways. First, each advisor receives a fixed monthly salary that can be adjusted. Second, each advisor may share in the overall profits (in varying degrees) from the financial success of the company (largely amount of assets under management). This form of compensation creates incentive for advisors to increase investable assets.

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

No. You can visit [Investor.gov/CRS](https://www.investor.gov/crs) for a free and simple search tool to research your financial professionals.

**Conversation starters you may ask regarding disciplinary history:**

- “As a financial professional, do you have any disciplinary history? For what type of conduct?”

**Additional Information**

We are registered representatives of LPL Financial LLC (“LPL”), an SEC registered broker-dealer and investment adviser. We may offer you brokerage services through LPL or investment advisory services through Cornerstone. Brokerage services and investment advisory services are different, and the fees we, and LPL, charge for those services are different. It is important that you understand the differences. In particular, Cornerstone may earn additional transaction-based compensation and have additional conflicts of interest as a result of providing brokerage services through LPL. You are encouraged to learn more about LPL by reviewing LPL’s relationship summary at [lpl.com/disclosures.html](https://lpl.com/disclosures.html) and having a discussion with your Financial Professional. You can also access free and simple tools to help you research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/crs), which also provides educational materials about broker-dealers, investment advisers, and investing.

You can find additional up-to-date information about our investment advisory services and request a copy of this relationship summary by contacting our office (509-396-0588) at no charge to you.

**Conversation starters you may ask regarding contacting 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?”