

Item 1: Cover Page

This brochure provides information about the qualifications and business practices of Cornerstone Investment Services, LLC.

Cornerstone Investment Services, LLC

Firm Brochure

If you have any questions about the contents of this brochure, please contact us at (401) 453-5550 or by email at: johnr@cornerstoneri.com. The information in this 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 Investment Services, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Cornerstone Investment Services, LLC's CRD number is: 129164

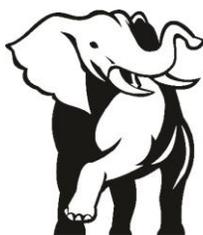
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Registration does not imply a certain level of skill or training.

Version Date: 01/22/2017



CIS
Cornerstone
Investment Services

Item 2: Material Changes

The material changes in this brochure are described below. This list summarizes changes to Cornerstone Investment Services, LLC's policies, practices or conflicts of interests only.

This Brochure Location (Page Number/Item Number)	Material Change
Page 3	New Portfolios added – Swat Strategy and Dividend Plus
Page 5	Descriptions of new portfolios
Page 6 & 7	New service added - Plan Sponsor Consulting Retirement Plan Services removed
Pages 15 & 16	Plan Sponsor Consulting Fee Schedule and Svcs Provided



Item 3: Table of Contents

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Item 4: Advisory Business

A. Description of the Advisory Firm

This firm has been in business since June 1999, and the principal owner is John J. Riley.

B. Types of Advisory Services

Cornerstone Investment Services, LLC (hereinafter "CIS") offers the following services to advisory clients:

Investment Supervisory Services

CIS offers ongoing portfolio management services based on four pre-designed Models or strategies. Three Models, or strategies, are based on CIS' internal proprietary research and designed for specific objectives. Three other strategies are based on third party research and buy and sell signals from that third party. CIS does not limit an investor to only one strategy.

The six strategies are as follows:

1 - The QuintEssential Strategy: This is the CIS balanced Model. It is a risk-managed portfolio. It is further broken down into three Portfolio Allocation Choices (PAC), each with an income option. The PAC's are as follows:

- Aggressive
- Conservative
- Moderate

2 - The Global Strategic Trends Portfolio: This portfolio is based on positive long term fundamental trends in the Global economy and markets.

3 - The Active Defense Portfolio: This portfolio focuses on the Fiscal Crisis of the Advanced Economies. It attempts to benefit from the consequences and negative trends of the Fiscal Crisis.

4 - The Tactical US Equity Strategy Portfolio: This portfolio focuses on US equities and is based on third party signals which rely on technical analysis, along with fundamental research.

5 - SWAT Portfolio: This portfolio focuses on strategic long term growth. Mainly mid to large cap equities. Holding periods can be from weeks to years.

6 - Dividend Plus Portfolio: This portfolio seeks dividend income mainly from equities. There is a screening process used for stock selection. The Plus part comes in with certain special situation sources of income that may not pass through the screening process but have a unique quality.

There is an income version of The Global Strategic Trends Portfolio and The QuintEssential Strategies. CIS recommends a Strategy based on a client's risk tolerance and reward objectives.

Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

Cornerstone QuintEssential Strategy is based on long term cycles, asset allocation and managing risk. CIS does not chase performance; instead they primarily concentrate on managing risk. CIS believes that if you have the proper asset allocation based on long term economic and market cycles, and manage risk through inversely correlated assets (assets whose movements and performance are not directly related to one another, and can be opposite of each other) along with other methods, long term investment performance should naturally follow. This does not translate into any kind of a guarantee of short term performance or that we will be able to achieve any specific rate of return or even our stated goals. CIS will also evaluate the current investments of each client with respect to their risk tolerance levels and time horizon.

Cornerstone Global Strategic Trends Portfolio is based on long term trends and asset allocation. CIS does not focus on short term performance; instead they primarily concentrate on fundamentals and long term trends. CIS believes that if you have the proper asset allocation based on long term economic trends and market cycles, long term investment performance should naturally follow. This does not translate into any kind of a guarantee of short term performance or that we will be able to achieve any specific rate of return or even our stated goals. Since this portfolio is NOT risk managed, we expect it to be more volatile than the QuintEssential Strategies portfolios. CIS will also evaluate the current investments of each client with respect to their risk tolerance levels and time horizon.

Cornerstone Active Defense Portfolio is based on long term trends and asset allocation. CIS does not chase performance; instead they primarily concentrate on fundamentals and long term trends. CIS believes that the current Fiscal Crisis in the Advanced Economies could last several years, possibly a decade. This creates potential investment opportunities that are contrary in nature to traditional investing and involve inverse and complex investments. This does not translate into any kind of a guarantee of short term performance or that we will be able to achieve any specific rate of return or even our stated goals. Since this portfolio is NOT risk managed, we expect it to be more volatile than the QuintEssential Strategies portfolios. CIS will also evaluate the current investments of each client with respect to their risk tolerance levels and time horizon.

Cornerstone Tactical Strategy Portfolio - The Tactical Strategy is a diversified portfolio designed for investors looking for both upside potential and downside protection. The Tactical Strategy is based on technical analysis and signals, utilizing domestic equity and fixed income ETFs and is focused on limiting losses during extended market downturns. Defensive allocation strategies are designed to generate improved returns in up markets by working from a position of strength (i.e., the portfolio's attempt to avoid losses before making new gains). The CIS Tactical Strategy is designed with the intention of delivering attractive risk-adjusted returns through multiple investment markets via diversification and defensive reallocation. This portfolio is only offered with Pershing as the custodian.

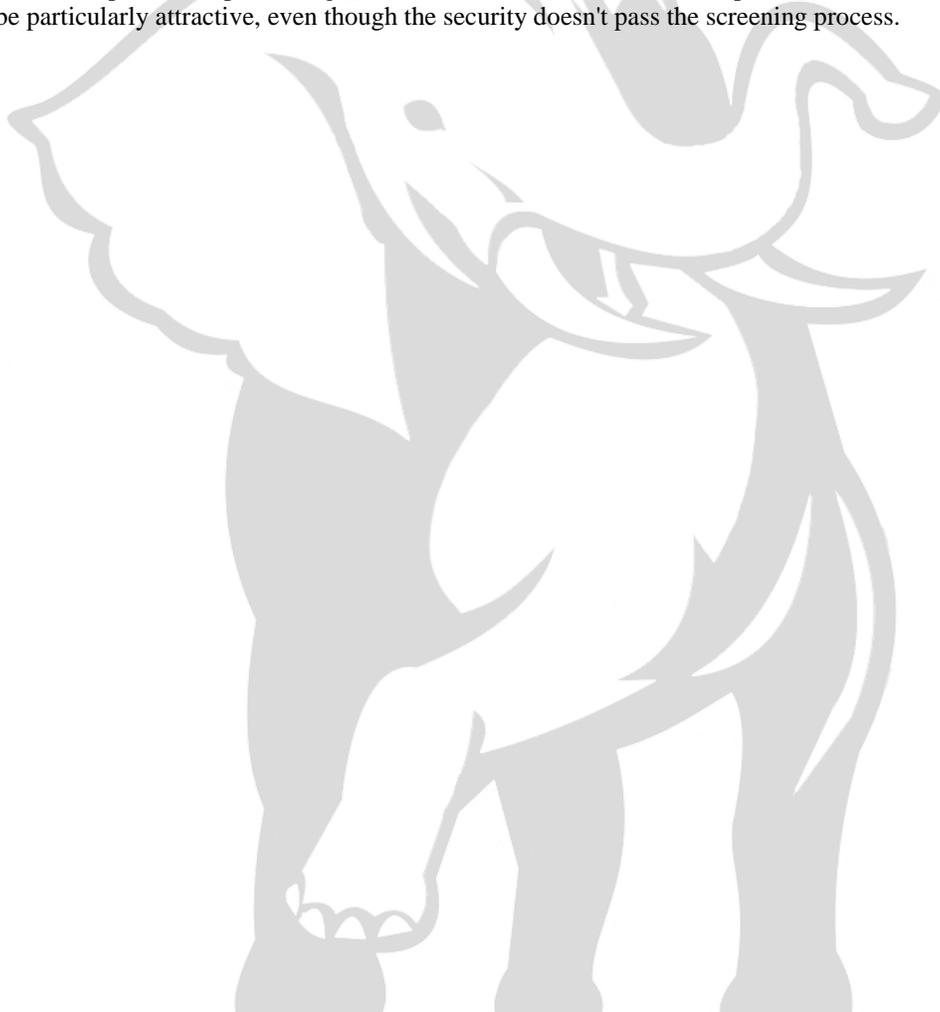
Tactical US Equity may invest in any domestically-based ETF in the following asset classes: U.S. Equity, Fixed Income, and Cash. Client account(s) will hold only long ETFs, no leveraged or inverse ETFs. Portfolios may invest within the following allocation ranges:

- Equity Range: 0 – 100%
- Fixed Income Range: 0 – 100%
- Cash Range: 0 – 100%

* Investors cannot invest directly in an index. This unmanaged index does not reflect management fees and transaction costs that are associated with some investments. Past performance is no guarantee of future results.

Cornerstone SWAT Portfolio: SWAT stands for Strategic Wealth Accumulation Tactics. This strategy is more of a stock picker's portfolio. It focuses on mid to large cap equities that have a potential for strong EPS growth. The companies chosen are usually leaders in some respect in their industry. Stocks may be chosen for their long term potential or short term event. This means holding periods can be from weeks to years. Although not a fully risk managed portfolio, it may use stop losses on some positions and can raise cash when the markets dictate it.

Cornerstone's Dividend Plus Portfolio: This portfolio seeks long term growth of income through equity dividends. We use a screening system to determine which companies offer a stable source of dividend income. Historically, equities have raised their dividends, giving investors a good hedge against the declining purchasing power of the Dollar. For retired investors, rising income can be a must as living on a fixed income can be difficult. Rising dividend income can give a boost to income and help make a retirement a bit easier. The Plus part of the portfolio goes outside of the screen to look for special situations where a dividend might be particularly attractive, even though the security doesn't pass the screening process.



Financial Planning

Financial plans and financial planning may include, but are not limited to: a written report including an income review and balance sheet, investment planning, life insurance; tax concerns; retirement planning; college planning; and debt/credit planning. These services are based on fixed fees and hourly fees and the final fee structure is documented in Exhibit II of the Financial Planning Agreement.

Services Limited to Specific Types of Investments

CIS generally limits its investment advice and/or money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, REITs, insurance products including annuities, and government securities. CIS may use other securities as well to help diversify a portfolio when applicable.

ERISA Client Advisory Services

Types of Retirement Plan Services – Money management and Plan Sponsor Consulting

Money Management

Cornerstone Investment Services (CIS) offers investment management services for employer-sponsored retirement plans. These services are designed to allow the plan fiduciary to delegate responsibility for managing, acquiring and disposing of plan assets that meets the requirements of ERISA section 3(38). **CIS** will perform these investment management services through its investment advisor representative and may charge a fee for the investment management services, as described in this Form ADV Part 2 (“ADV”) and the Investment Advisory Contract (“Agreement”). **CIS** will perform these services to the plan as a fiduciary under ERISA Section 3(38) and will act with the degree of diligence, care and skill that a prudent person rendering similar services would exercise under similar circumstances. When providing investment management services, **CIS** exercises discretionary authority or control over assets of the plan.

CIS also offers retirement plan educational and ministerial services that are ERISA Non-fiduciary Services. ERISA Non-fiduciary Services may be performed only so that they would not be considered fiduciary services under the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Sponsor may engage **CIS** to perform the ERISA 3(38) Investment Management Fiduciary Services and the ERISA Non-fiduciary Services (together, the “Retirement Plan Services”) by completing a Retirement Plan Information Form to provide information about the plan, including options available through the Plan, plan objectives, investment objectives, investment risk tolerance, demographics about plan participants, and third-party service providers.

CIS will provide Sponsor a copy of this Form ADV Part 2 and the Agreement for review, along with a copy of our Privacy Policy. The Agreement describes the terms of the arrangement between **CIS** and the Sponsor, including a description of the Retirement Plan Services and the fees to be charged by **CIS**. By signing the Agreement, the Sponsor represents that Sponsor has received sufficient information and determined that the Retirement Plan Services selected are: (i) necessary for the operation of the plan and (ii) reasonable and appropriate based upon the compensation to be paid for the Services. Sponsor must sign and submit the Agreement to **CIS** before **CIS** performs any Retirement Plan Service.

Plan Sponsor Consulting (PSC)

CIS has developed a program to assist and educate Plan Sponsors with their fiduciary responsibilities. The Program focuses on several areas and has different levels of services. When offering Plan Sponsor Consulting services, CIS prefers to stay an independent consultant and not the rep of record on the Plan. The Plan Sponsor is the client, not the Plan.

CIS offers PSC as a 3(21) Fiduciary and Non-Fiduciary. Whether CIS acts as a 3(21) Fiduciary or a Non-Fiduciary is up to the Plan Sponsor and the agreement between the Plan Sponsor and CIS. Fees will be negotiated between CIS and the Plan Sponsor for any services. The Plan Sponsor may select all, some or none of the services. The 3(38) Fiduciary Services are only offered on Omnibus Plans where CIS is the RIA and the Plan chooses one of CIS pre-set strategies. (See Money Management)

Testing and Assessment – CIS has available to them a number of tests for Plan Sponsors. The focus is on their Compliance policies and procedures, along with reviews of the Plan Assets and fees. The assessments are detailed and give the Plan Sponsor the rules and regulations regarding each subject.

Plan Operations / Policies & Procedures – CIS has developed a program to help systematize and organize the Plan Sponsor's operations, policies and procedures.

Forms and Documents / Fiduciary File – CIS has access to many of the forms and documents a Plan Sponsor needs to comply with various regulations and best practices. We make these available to the Plan Sponsors through a customized website. Forms and documents are stored in an electronic Fiduciary File.

Participant Education – CIS has developed a Participant Education program which includes the required risk assessment, the basics retirement planning, enrollment education, retirement/separation education, and investment education. CIS offers education seminars and an educational newsletter.

Investment Selection / IPS – CIS may help a Plan Sponsor with selection of investments for the Plan and monitor those investments. CIS may also conduct a thorough review of the investments and fees paid by the Plan for the Plan Sponsor. CIS may also assist the Plan Sponsors in developing an Investment Policy Statement (IPS).

Potential Additional Services Provided to Plan Participants

In providing Plan Sponsor Consulting services, CIS and its Investment Adviser Representatives (IARs) may establish an individual client relationship with one or more plan participants or beneficiaries. Such client relationships develop in various ways, including, without limitation:

- 1) as a result of a decision by the participant or beneficiary to purchase services from CIS not involving the use of plan assets;
- 2) as part of an individual or family financial plan for which any specific recommendations concerning the allocation of assets or investment recommendations relate exclusively to assets held outside of the plan; or
- 3) through an Individual Retirement Account rollover (“IRA Rollover”).

If CIS is providing PSC to a plan, CIS may, when requested by a plan participant or beneficiary, arrange to provide services to that participant or beneficiary through a separate individual agreement that excludes any investment advice on plan assets (but may consider the participant's or beneficiary's interest in the plan in providing that service). If a plan participant or beneficiary desires to affect an IRA Rollover, CIS will obtain a written acknowledgement from the plan participant. Any decision to affect the rollover or about what to do with the rollover assets remain that of the participant or beneficiary alone.

Conflict of Interest

John Riley of Cornerstone is an AIF (Accredited Investment Fiduciary) designee. In the review of a Plan, as an AIF, the recommendations made may benefit Cornerstone. While a Plan Sponsor is in no way obliged to follow the recommendations, or to use Cornerstone in conjunction with any AIF work done by Mr. Riley, it is a conflict of interest that the Plan Sponsor needs to be aware of. This is why when contracted for PSC services, CIS prefers not to become the rep of record on the Plan as this could be a conflict of interest.

CIS offers 5 different levels of service: Basic, Essential, Prime, Elite and Ultimate. The details and fees can be found under the ERISA Fee Schedule heading.

C. Client Tailored Services and Client Imposed Restrictions

CIS offers the same suite of services to all of its clients. CIS will also evaluate the current investments of each client with respect to their risk tolerance levels and time horizon and proceed accordingly. CIS offers clients the ability to place restrictions on their advisory account(s). In general the restrictions may include security type, specific securities, and cash balance requirement (except with the Tactical Strategy). Under certain situations a restriction may prevent the IAR from providing investment choices to meet a client's needs. In the event a restriction does impair the IARs ability to manage a portfolio effectively the client agreement may be terminated under the terms of the contract.

D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees and transaction costs. Some wrap fee programs include administrative costs, postage and handling and regulatory fees.

CIS sponsors a wrap fee program where the investor pays one stated fee that includes management fees and transaction costs, but not fund expenses, and any other administrative fees, postage and handling or regulatory fees. For the wrap fee program sponsored by CIS, Cantella & Co., Inc. (Cantella) is used to effect all securities transactions through CIS' custodians National Financial Services, LLC (NFS), or Pershing, LLC (Pershing). Clients may incur additional administrative charges beyond the one stated fee that they might not otherwise incur with other investment advisory services. CIS manages the investments in the wrap fee program, and receives buy and sell signals from a third party for the Tactical. CIS does not manage those wrap fee accounts any differently than non-wrap fee accounts. A portion of the fees paid to the wrap account program will be given to Cantella for services provided to CIS. All four of CIS' Strategies are available in the wrap fee program.

ERISA Accounts within the wrap fee program pay no administrative fees, postage and handling fees or other fees.

E. Amounts Under Management

CIS has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$34,291,000.00	\$0.00	01/22/2017

Item 5: Fees and Compensation

A. Fee Schedules

Investment Supervisory Services Fees

CIS offers two Investment Supervisory Services Fee choices – Inclusive and Tactical. Transaction charges are included with the Inclusive and Tactical fee schedule. CIS fully discloses the details of each fee structure and acts in the client's best interest when recommending one over the other. CIS believes that one fee structure may or may not have an advantage over the other to either the client or CIS. This may not always be the case and this represents a potential conflict of interest.

Traditional Fee Schedule – NO NEW ACCOUNTS ACCEPTED

Total Assets Under Management	Annual Fee
\$0 - \$249,999	2.00%
\$250,000 - \$499,999	1.75%
\$500,000 - \$749,999	1.50%
\$750,000 - \$999,999	1.25%
\$1,000,000 - \$1,999,999	1.10%
\$2,000,000 - \$2,999,999	1.00%
\$3,000,000 - \$4,999,999	0.95%
Over \$5,000,000	0.90%

These fees are charged in a linear manner. In other words, as the client's assets hit each tier listed above, the entire portfolio is charged the reduced fee. Fees are paid monthly in arrears, and clients may terminate their contracts with thirty days' written notice. Because fees are charged in arrears, no refund policy is necessary. Clients may terminate their accounts without penalty within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with client's written permission.

Client will also be responsible for a transaction fee of between \$20.00 to \$25.00 per transaction for equities (stocks) This shows up as a commission on the confirmation statement which is sent to the Client by the Custodian as follows:

Client pays a transaction fee of between \$0.00 to \$15.00 for mutual funds (this shows up as a Misc Fee on the confirmation statement). Client pays postage and handling fees per transaction between \$5.65 and \$8.95. These fees may be higher than other custodians and clients could find lower fees at other custodians

Inclusive Fee Schedule
(National Financial Services Clearing Firm Only)
 (Quintessential/Global Strategic/Active Defense) CJJ Prefix

Total Assets Under Management	Annual Fee
\$0 - \$249,999	2.50%
\$250,000 - \$499,999	2.25%
\$500,000 - \$749,999	2.00%
\$750,000 - \$999,999	1.75%
\$1,000,000 - \$1,999,999	1.50%
\$2,000,000 - \$2,999,999	1.25%
\$3,000,000 - \$4,999,999	1.00%
Over \$5,000,000	0.95%

Inclusive Fee Schedule
(Pershing Clearing Firm Only)
 (Quintessential/Global Strategic/Active Defense/Swat/Dividend +) QM6 Prefix

Total Assets in Portfolio	Breakdown of Ann Fee		Annual Fee
	IA Fee	Program Fee	
\$0 - \$249,999	2.00%	0.30%	2.30%
\$250,000 - \$499,999	1.75%	0.30%	2.05%
\$500,000 - \$749,999	1.50%	0.30%	1.80%
\$750,000 - \$999,999	1.25%	0.30%	1.55%
\$1,000,000 - \$1,999,999	1.10%	0.30%	1.40%
\$2,000,000 - \$2,999,999	1.00%	0.30%	1.30%
\$3,000,000 - \$4,999,999	0.95%	0.30%	1.25%
Over \$5,000,000	0.90%	0.30%	1.20%

These fees are charged in a linear manner. In other words as the client's assets hit each tier listed above the entire portfolio is charged the reduced fee. Fees are paid monthly in arrears, and clients may terminate their contracts with thirty days' written notice. Because fees are charged in arrears, no refund policy is necessary. Clients may terminate their accounts without penalty within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with client's written permission.

Client also pays postage and handling fees per transaction of \$5.65. CIS does not retain any of the program or postage and handling fees. These fees may be higher than other custodians and clients could find lower fees at other custodians.

These Investment Advisor Supervisory Fees are negotiable. CIS uses Cantella to effect all securities transactions through CIS' custodian NFS. Clients may incur additional administrative charges that they might not otherwise incur with other investment advisory services.

Tactical Strategy Fee Schedule PA5

Total Assets in Portfolio	Breakdown of Fees		Annual Fee	
	IA Fee	Program Fee		
\$0 - \$249,999	1.85%	0.65%	2.50%	
\$250,000 - \$499,999	1.75%	0.65%	2.40%	
\$500,000 - \$749,999	1.50%	0.65%	2.15%	
\$750,000 - \$999,999	1.25%	0.65%	1.90%	
\$1,000,000 - \$1,999,999	1.10%	0.65%	1.75%	
\$2,000,000 - \$2,999,999	1.00%	0.65%	1.65%	
\$3,000,000 - \$4,999,999	0.95%	0.65%	1.60%	
Over \$5,000,000	0.90%	0.65%	1.55%	

The Tactical Fee Schedule has a built-in Program Fee of .65% which is paid to the third party signal provider and Cantella & Co, LLC for trading services. Clients pay shipping and handling costs.

These fees are charged in a blended manner. In other words, the first \$0 - \$249,999 of client's assets will always be billed the first level. Then the next \$250,000 - \$499,999 will always be billed at the next level and so on. Fees are paid monthly in arrears, and clients may terminate their contracts with thirty days' written notice. Because fees are charged in arrears, no refund policy is necessary. Clients may terminate their accounts without penalty within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with client's written permission.

Due to the complexity and internal costs involved in the Tactical Strategy Clients should be aware that the fees charged are higher than industry norms for less complex programs. Client has been fully informed of the fee structure and has been encouraged to ask questions before entering into any contract or agreement.

ERISA Fee Schedules

The Tactical and Inclusive fee schedules are charged in a blended, not linear, manner. Fees are paid monthly in arrears, and clients may terminate their contracts with thirty days' written notice. Because fees are charged in arrears, no refund policy is necessary. Clients may terminate their accounts without penalty within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the Client's accounts as authorized by the contract and paid directly to Cantella. For information regarding the percentage of the IAR and CIS fees that Cantella retains, please see the Cantella's ERISA Advisory Brokerage Window/Account Form. Cantella pays a portion of the program fee to Pershing for clearing as well as to a third party for signals on the Tactical Strategy.

For each transaction within accounts under the ERISA Tactical and/or ERISA Inclusive Fee Schedule, Client pays to Cantella the following, which are direct costs forwarded in their entirety to Pershing as clearing broker: Postage and Handling Fee - \$1.50 if electronic confirmation or \$2.25 if paper confirmation. Statement Fee - \$1 per paper statement (no charge for electronic statements). Cantella also charges a flat annual administrative fee of \$150.

Due to the complexity and internal costs involved in the Tactical Strategy Clients should be aware that the fees charged are higher than industry norms for less complex programs. With respect to a Client that is subject to ERISA or Section 4975 of the Internal Revenue Code, Client shall direct IA as to what percentage or amount of the Account should be allocated to each portfolio and to which portfolio future deposits should be allocated.

Inclusive Fee Schedule (Quintessential/Global Strategic/Active Defense)

Total Assets in Portfolio	Breakdown of Fees			Annual Fee
	IA Fee	CIS Fee	Program Fee	
\$0 - \$249,999	0.93%	0.93%	0.30%	2.15%
\$250,000 - \$499,999	0.88%	0.88%	0.30%	2.05%
\$500,000 - \$749,999	0.75%	0.75%	0.30%	1.80%
\$750,000 - \$999,999	0.63%	0.63%	0.30%	1.55%
\$1,000,000 - \$1,999,999	0.55%	0.55%	0.30%	1.40%
\$2,000,000 - \$2,999,999	0.50%	0.50%	0.30%	1.30%
\$3,000,000 - \$4,999,999	0.48%	0.48%	0.30%	1.25%
Over \$5,000,000	0.45%	0.45%	0.30%	1.20%

Tactical Fee Schedule

Total Assets in Portfolio	Breakdown of Fees			Annual Fee
	IA Fee	CIS Fee	Program Fee	
\$0 - \$249,999	0.93%	0.93%	0.80%	2.65%
\$250,000 - \$499,999	0.88%	0.88%	0.80%	2.55%
\$500,000 - \$749,999	0.75%	0.75%	0.70%	2.20%
\$750,000 - \$999,999	0.63%	0.63%	0.70%	1.95%
\$1,000,000 - \$1,999,999	0.55%	0.55%	0.60%	1.70%
\$2,000,000 - \$2,999,999	0.50%	0.50%	0.60%	1.60%
\$3,000,000 - \$4,999,999	0.48%	0.48%	0.55%	1.50%
Over \$5,000,000	0.45%	0.45%	0.55%	1.45%

Fee Schedule Approved _____

Initials

Initials

IAR

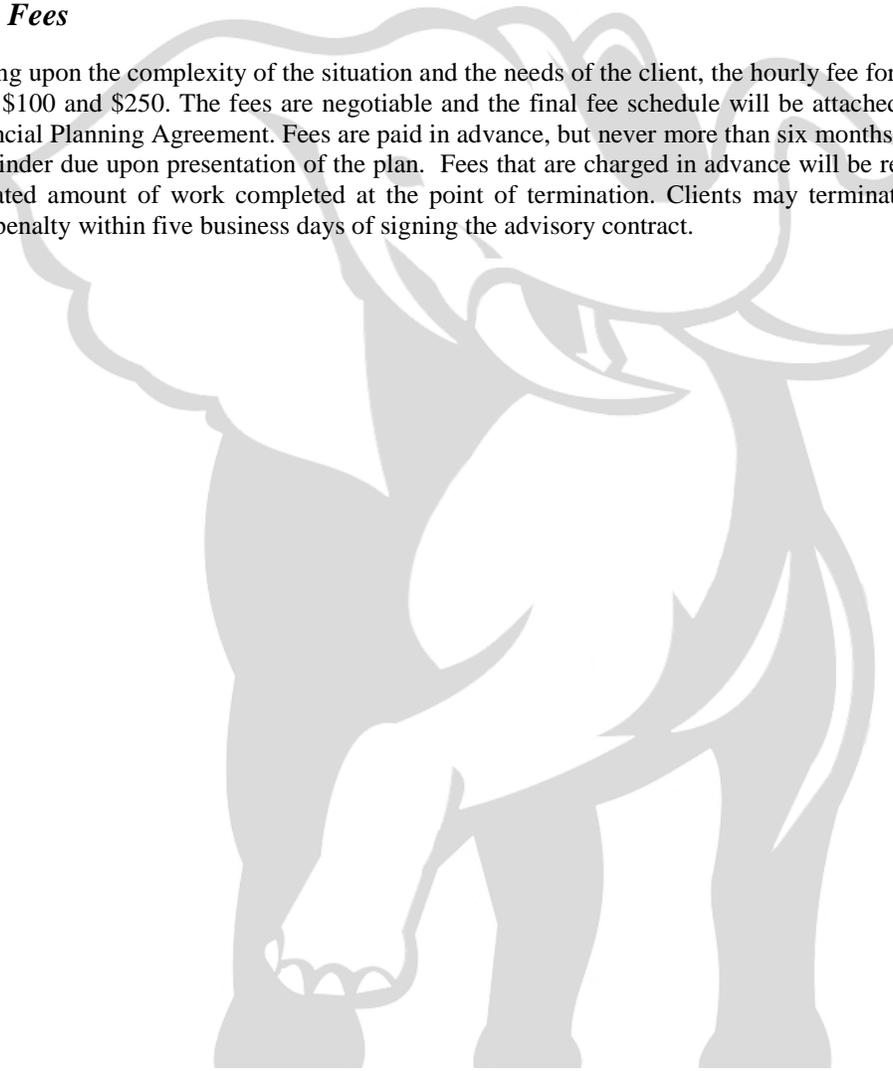
Financial Planning Fees

Fixed Fees

Depending upon the complexity of the situation and the needs of the client, the rate for creating client financial plans is between \$500 and \$2,500. Fees are paid in advance, but never more than six months in advance. Fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination. The fees are negotiable and the final fee schedule will be attached as Exhibit II of the Financial Planning Agreement. Clients may terminate their contracts without penalty within five business days of signing the advisory contract.

Hourly Fees

Depending upon the complexity of the situation and the needs of the client, the hourly fee for these services is between \$100 and \$250. The fees are negotiable and the final fee schedule will be attached as Exhibit II of the Financial Planning Agreement. Fees are paid in advance, but never more than six months in advance, with the remainder due upon presentation of the plan. Fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination. Clients may terminate their contracts without penalty within five business days of signing the advisory contract.



ERISA Client Fee Schedule

The preceding tables and the following are the fees charged by Cornerstone Investment Services, LLC for money management services provided to ERISA plan clients.

The Tactical, Leveraged and Inclusive fee schedules are charged in a blended, not linear, manner. Fees are paid monthly in arrears, and clients may terminate their contracts with thirty days' written notice. Because fees are charged in arrears, no refund policy is necessary. Clients may terminate their accounts without penalty within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the Client's accounts with written permission and paid directly to Cantella. For information regarding the percentage of the IAR and CIS, fees that Cantella retains, please see the Cantella's ERISA Advisory Brokerage Window/Account Form. Cantella pays a portion of the program fee to NFS or Pershing for clearing as well as to a third party for asset allocation models. The total fee charged to the plan is split between CIS, Cantella, the clearing firm (NFS, Pershing). Full details of this fee split will be provided to every client in the fee section of their investment advisory contract.

For each transaction within accounts under the ERISA Tactical and/or ERISA Inclusive Fee Schedule, Client pays to Cantella the following, which are direct costs forwarded in their entirety to Pershing as clearing broker: Postage and Handling Fee - \$1.50 for electronic confirmations or \$2.25 for paper confirmations. Statement Fee - \$1 per paper statement (no charge for electronic statements). Cantella also charges a flat annual administrative fee equal to \$150 to CIS.

Due to the complexity and internal costs involved in the Tactical Strategy Clients should be aware that the fees charged are higher than industry norms for less complex programs. Client has been fully informed of the fee structure and has been encouraged to ask questions before entering into any contract or agreement. With respect to a Client that is subject to ERISA or Section 4975 of the Internal Revenue Code, Client shall direct CIS as to what percentage or amount of the Account should be allocated to each portfolio and to which portfolio future deposits should be allocated.

CIS Plan Sponsor Consulting Fees & Services

	Basic	Essential	Prime	Elite	Ultimate
	N/C	\$2,500 - \$10,500	\$5,000 - \$50,000	\$25,000 - \$100,000	\$125,000 - \$500,000
Testing & Assessments					
SAFE Review	X	X	X	X	X
CRFP Review				X	X
SAFE Review Yr 2			X	X	X
CRFP Review Yr 2				X	X
Portfolio Fiduciary Review		X	X	X	X
Portfolio Fiduciary Review with Alternatives 3(21)			X	X	X
CEFEX Certification				X	X
Plan Operations					
Reviewing Retirement Plan Committee Structure and Requirements				X	X
Plan Design Consulting 3(21)			X	X	X
Coordinating and Reconciling Participant Disclosures under ERISA Rule 404(a)				X	X
Attending Periodic Meetings with Plan Committee (Upon Request by Plan Sponsor)				X	X
Reviewing Fees and Services and Identifying Procedures to Track the Receipt and Evaluation of ERISA 408(b)(2) Disclosures				X	X
Providing Periodic Benchmarking of Fees and Services to Assist Review for Reasonableness			X	X	X
Reviewing ERISA Spending Accounts or Plan Expense Recapture Accounts (PERAs)					X
Generating and Evaluating Service Provider Requests for Proposals (RFPs) and or Requests for Information (RFIs)				X	X
Support with Contract Negotiations					X
Service Provider Transition and/or Plan Conversion			X	X	X
Provide brokerage services to facilitate the investment directives of the Plan and/or Participants					X
Annual Audit					X
Assistance with Regulator Audit					X
Research assistance with legal defense					X
Compliance Oversight				X	X
Vendor Fee / Service Review or Benchmark				X	X
Forms and Documents					
Templates			X	X	X
Checklists			X	X	X
Investment Policy Statements (IPS)		X	X	X	X
Advice RE: Preparation of IPS 3(21)			X	X	X
Policy & Procedures Manual				X	X
Fiduciary Calendar			X	X	X
Fiduciary Audit File			X	X	X
Quarterly Review Meeting				X	X
Annual Review Meeting			X	X	X

Continued...

Participant Education					
Develop Education Calendar			X	X	X
Develop and Implement Participant Enrollment Meetings	X	X	X	X	X
Develop and Implement Participant Education Meetings	X	X	X	X	X
Develop and Implement Participant Release/Retirement Meetings	X	X	X	X	X
Develop Participant Invitations/Notifications			X	X	X
Develop Participant Participation Documentation			X	X	X
Assisting Participants with Retirement Readiness		X	X	X	X
Providing Periodic Updates, Upon Request or Newsletter			X	X	X
Supporting Individual Participant Questions 3(21)				X	X
Providing Fee Specific Education and Communicate the Plan's Requirements for Requesting Additional Information about Plan Fees and Expenses			X	X	X
Reviewing Participant Education and Communication Strategy, Including ERISA 404(c) Requirements		X	X	X	X
Developing Requirements for Responding to Participant Requests for Additional Information				X	X
Dedicated 1-800 Number for participants					X
Investment Selection					
Review of the Plan's Investment Options			X	X	X
Assessment of Overall Investment Structure of Plan (i.e., types and number of asset classes, model portfolios, etc.)				X	X
Determining Plan Objectives			X	X	X
Investment Policy Development			X	X	X
Fund Menu Design			X	X	X
Review of Qualified Designated Investment Alternatives (QDIA)				X	X
Advice RE: Selecting and Monitoring QDIA 3(21)				X	X
Advice RE: Selection and monitoring of Designated Investment Alternatives (DIAs) 3(21)				X	X
Design Model Portfolios 3(21)		X	X	X	X
Advice RE: Allocation and Rebalancing of Model Asset Allocation Portfolios (Model Portfolios) 3(21)				X	X
Advice RE: Selecting and monitoring of Investment Managers 3(21)			X	X	X
Investment Monitoring		X	X	X	X
Advice RE: Fund Replacements 3(21)			X	X	X

Fees are negotiable. Items listed are services offered under a specific Plan. Not all services may be included in a final agreement with a Plan Sponsor

** Travel, associated expenses, and legal/audit fees are not included in Complete fees.*

CIS will work closely with the Plan Sponsor to determine which level of service is most appropriate for the Plan Sponsor.

Hourly/Flat Fees

Some Plans or Plan Sponsors may require special one-time projects. The fees for the Retirement Plan Services (“Fees”) are negotiable. A description of the different types of hourly/flat fees for retirement plan services appears in the fee schedule below.

Fee Type	Fee Range
Hourly Rate	IAR Rate - \$125/hr. AIF Rate - \$250/hr.
Flat Fee	\$100 - \$5,000+ (depending on Job)
How hourly/flat Retirement Plan Services Fees May Be Paid	
The fees described above may be paid by the Plan record keeper directly from Plan assets, accounts or investments. Alternatively, fees for PSC may be billed to the plan sponsor.	

Sponsors receiving Retirement Plan Services may pay more or less than a client might otherwise pay if purchasing the Retirement Plan Services separately or through another service provider. There are several factors that determine whether the costs would be more or less, including, but not limited to, the size of the plan, the specific investments made by the plan, the number of locations of participants, the Retirement Plan Services offered by another service provider, and the actual costs of Retirement Plan Services purchased elsewhere. In light of the specific Retirement Plan Services offered by **CIS**, the Fees charged may be more or less than those of other similar service provider.

All fees paid to **CIS** for Retirement Plan Services are separate and distinct from the fees and expenses charged by mutual funds, variable annuities and exchange traded funds to their shareholders. These fees and expenses are described in each investment’s prospectus. These fees will generally include a management fee, other expenses, and possible distribution fees. If the investment also imposes sales charges, a client may pay an initial or deferred sales charge. The Retirement Plan Services provided by **CIS** may, among other things, assist the client in determining which investments are most appropriate to each client’s financial condition and objectives and to provide other administrative assistance as selected by the client. Accordingly, the client should review both the fees charged by the funds, the fund manager, the plan’s other service providers and the fees charged by **CIS** to fully understand the total amount of fees to be paid by the client and to evaluate the Retirement Plan Services being provided.

No increase in the Fees will be effective without prior written Notice. While not necessarily related to the Services, various vendors, product providers, distributors and others may provide non-monetary compensation by paying some expenses related to training and education, including travel expenses, and attaining professional designations. **CIS** might receive payments to subsidize its own training programs. Certain vendors may invite **CIS** to participate in conferences, on-line training or provide it publications that may further its IARs and employees’ skills and knowledge. Some may occasionally provide **CIS** gifts, meals and entertainment of reasonable value consistent with industry rules and regulations.

B. Payment of Fees

Payment of Investment Supervisory Fees

CIS, with client written authority, will deduct its fees from the client account at the custodian. Traditional, Inclusive and Tactical advisory fees are calculated and billed directly to the client account monthly in arrears. Clients may also have the option of being invoiced directly and paying fees via check monthly in arrears.

For ERISA clients – see above fee section.

Payment of Financial Planning Fees

Hourly and fixed Financial Planning fees are paid via check in advance.

C. Clients Are Responsible For Third Party Fees

Clients are responsible for the payment of all third party fees (i.e. custodian fees, mutual fund fees, transaction fee etc.). Those fees are separate and distinct from the fees and expenses charged by CIS. CIS uses Cantella to effect all securities transactions through CIS' custodian NFS and Pershing. Clients may incur additional administrative charges that they might not otherwise incur with other investment advisory services. These fees may include postage and handling and other miscellaneous fees in addition to transaction fees. Please see Item 12 of this brochure.

D. Prepayment of Fees

Fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination and the total days during the billing period. Fees will be returned within fourteen days to the client via check or return to credit card.

E. Outside Compensation For the Sale of Securities to Clients

As a registered representative of a broker/dealer, some of the representatives of CIS may accept commissions and trails. From time to time they receive trails on funds used in managed accounts. In the past, CIS offered a Hybrid Contract which included B and C share mutual funds. These mutual funds would be exempt from the CIS money management fee since they paid trails to the IAR. (This contract is no longer offered, although some clients still are under this contract.) In some cases however, mutual funds on which CIS does charge a fee, such as some A shares, institutional and other types of mutual funds, will pay a small trail to the IAR. CIS tries to avoid these fees; however in some cases they are unavoidable.

1. *This is a Conflict of Interest*

CIS and its supervised persons will accept compensation for the sale of securities or other investment products, including asset based sales charges or services fees from the sale of mutual funds to its clients. This presents a conflict of interest and gives the supervised person and CIS an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending the sale of securities or investment products for which CIS receives compensation, CIS will document the conflict of interest in the client file and inform the client of the conflict of interest.

2. *Clients Have the Option to Purchase Recommended Products From Other Brokers*

Clients always have the option to purchase CIS recommended products through other brokers or agents that are not affiliated with CIS.

3. *Commissions are not the Primary Source of Income for this RIA*

Commissions and Trails are not CIS's primary source of compensation.

4. *Advisory Fees in Addition to Commissions or Markups*

Advisory fees that are charged to clients are not reduced to offset the commissions or markups on securities or investment products recommended to clients. However, if any mutual funds that pay a "trail commission" are in a managed account, they will be excluded from CIS money management fees.

Item 6: Performance-Based Fees and Side-By-Side Management

CIS does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7: Types of Clients

CIS generally provides investment advice to the following Types of Clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit Sharing Plans

CIS Plan Sponsor Consulting services are available to clients that are Plan Sponsors or other fiduciaries to Plans, including 401(k), 457(b), 403(b) and 401(a) plans. Participant directed defined contribution plans and defined benefit plans will not be offered money management services. They may be offered non-Fiduciary services. CIS will only offer its money management services to omnibus ERISA Plans only, unless the plan is an owner only plan. In this case, the plan will be the client, not the owner/participant. Plans may or may not be subject to ERISA.

Minimum Account Size

There are account minimums, \$100,000 for the Tactical and \$250,000 for the other strategies, which may be waived by the investment advisor, based on the needs of the client and the complexity of the situation. CIS does not require a minimum asset amount for Plan Sponsor Consulting services.



Item 8: Methods of Analysis, Investment Strategies and Risk of Investment Loss

A. Methods of Analysis and Investment Strategies

Methods of Analysis (More details below within the ERISA section)

CIS's methods of analysis include charting analysis, fundamental analysis, technical analysis, and cyclical analysis.

Charting analysis involves the use of patterns in performance charts. CIS uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Technical analysis involves the analysis of past market data; primarily price and volume.

Cyclical analysis involved the analysis of business cycles to find favorable conditions for buying and/or selling a security.

Investment Strategies

CIS may use long term trading, short term trading, ETF and options writing (including covered options, uncovered options, or spreading strategies).

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

Methods of Analysis

Charting analysis strategy involves using and comparing various charts to predict long and short term performance or market trends. The risk involved in solely using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold : 1) the markets do not always repeat cyclical patterns and 2) if too many investors begin to implement this strategy, it changes the very cycles they are trying to take advantage of.

Investment Strategies

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes. With the use of complex products such as ETFs daily resets are a factor to consider in long term trading. CIS monitors the impact of daily resets of the ETFs in the correlation to the long term return of ETFs to the index the ETFs tracks. CIS only uses EFTs that track an index on a one to one basis. CIS does not use ETFs that are known as "doubles" or "triples".

Short term trading, and options writing generally hold greater risk and clients should be aware that there is a material risk of loss using any of those strategies.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

CIS generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. However, it may utilize options writing and inverse ETFs which generally hold greater risk of capital loss and clients should be aware that there is a material risk of loss using any of those strategies.

Mutual Funds: Investing in mutual funds carries the risk of capital loss. Mutual funds are not guaranteed or insured by the FDIC or any other government agency. You can lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond "fixed income" nature (lower risk) or stock "equity" nature (mentioned above).

Equity investment generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

Treasury Inflation Protected/Inflation Linked Bonds: The Risk of default on these bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal.

Fixed Income is an investment that guarantees fixed periodic payments in the future that may involve economic risks such as inflationary risk, interest rate risk, default risk, repayment of principal risk, etc.

Debt securities carry risks such as the possibility of default on the principal, fluctuation in interest rates, and counterparties being unable to meet obligations.

Stocks & Exchange Traded Funds (ETF): Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency. CIS has an investment policy concerning the pre purchase selection and post purchase review of ETFs.

Hedge Funds are not suitable for all investors and involve a high degree of risk due to several factors that may contribute to above average gains or significant losses. Such factors include leveraging or other speculative investment practices, commodity trading, complex tax structures, a lack of transparency in the underlying investments, and generally the absence of a secondary market.

REITs have specific risks including valuation due to cash flows, dividends paid in stock rather than cash, and the payment of debt resulting in dilution of shares.

Precious Metal ETFs (Gold, Silver, Palladium Bullion backed "electronic shares" not physical metal): Investing in precious metal ETFs carries the risk of capital loss.

Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various other types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk, daily ETF resets.

Short term trading risks include liquidity, economic stability and inflation.

An Options writer may be assigned an exercise at any time during the period the option is exercisable. The writer of a covered call forgoes the opportunity to benefit from an increase in the value of the underlying interest above the option price, but continues to bear the risk of a decline in the value of the underlying interest. The writer of an uncovered call is an extremely risky position and may incur large or total losses if the value of the underlying interest increases above the exercise price.

Inverse ETFs - As part of the CIS overall strategy, they may use inverse ETFs (or other complex products) to effect their strategy. Inverse ETFs do not always track the underlying index 100% and CIS will only use an ETF (or other complex product) if they feel the product fulfills their objective within the portfolio's strategy. Investments in ETF's (or other complex products) are not guaranteed and involve fluctuation and a complete loss of principal is possible. In the case of inverse ETF, the nature of how these securities react is the opposite of the index they track, but it may not be a 100% correlation. Even though some ETFs "resets" daily, CIS may hold the ETF for more than one day at a time.

CIS will not use any 2X or 3X ETFs (or other complex products).

CIS has done due diligence to determine that the ETFs used are cost effect for their investment purposes relative to the alternatives such as futures or shorting which can involve much higher costs and unlimited risks.

Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

ERISA Plan Clients

All of the above Methods of Analysis and Investment Strategies; Material Risks Involved and Risks of Specific Securities Utilized also apply to ERISA Plans Clients.

CIS will apply generally accepted investment theories so that its investment choices for the Plan are made with the objective to reasonably diversify Plan assets to minimize the risk of large losses and to provide varying degrees of long-term appreciation and capital preservation through a mix of equity and fixed income exposures to meet the risk-based categories identified in the Plan's investment policy statement ("IPS"). CIS will diversify, reallocate and rebalance the investments and associated risk levels over time in accordance with generally accepted investment theories and consistent with the Plan's IPS. CIS may make changes to the underlying investments and/or the asset allocation percentages of any Model Portfolios and will communicate any instructions directly to the Platform Provider or Custodian.

CIS employs numerous philosophies and tools in our investment analysis and due diligence process. We may utilize any or all of the following: (For discussion of risks, please see Item 8b and 8c above.)

Fundamental Analysis is security analysis grounded in basic factors such as company earnings, balance sheet variables and management quality. These factors are used to predict the future value of an investment. Information such as interest rates, GNP, inflation and unemployment may be used to forecast the direction of the economy and therefore the stock market. Close attention is paid to fundamentals in order to determine the —fair value of various sectors.

Technical Analysis is employed in various formats in order to gauge market sentiment. It is the practice of using statistics to determine trends in security prices and make or recommend investment decisions based on those trends.

Technical analysis focuses on matters such as trade volume, demand, and volatility to help determine the market forces at work on a certain security or on the securities market as a whole.

We utilize **Quantitative Analysis** to easily combine and quantify various characteristics of a large number of investments in order to determine which of the group require further analysis. **Qualitative Analysis** is also used to weigh the unique characteristics of an individual investment and the risk and return expectations of various capital markets. Third party money managers will have their own methods of analysis, investment strategies and unique investment risks that you should review and consider before investing.

Plan may make available to Plan participants a number of different types of securities, including mutual funds, collective investment funds, GICs, ETFs, annuity subaccounts or other securities. Each different type of security carries with it risks that are inherent in that specific type of security. Mutual funds, collective investment funds, ETFs and subaccounts may also invest in varying types of securities which carry these risks. Investing in securities involves the risk of loss that clients should be prepared to bear.

All investments involve risk and investment performance can never be predicted or guaranteed. The values of the account will fluctuate (perhaps significantly) due to market conditions, manager performance and other factors. Using any benchmark or index in connection with the investment management services is no promise that the performance of the plan's particular investments will experience the same results, including the results shown on the various reports that are delivered as part of the Services. **CIS** retains all investment discretion over plan assets provided to them by the plan when acting as a 3(38) Fiduciary.

CIS may use or provide to Sponsor data or information provided by third parties when providing investment management services. While **CIS** reasonably believes that the information or data is reliable, it does not promise that it is accurate, current or consistently available.

Sponsor is responsible for all the tax liabilities arising from any transactions, including any liabilities arising from the failure to maintain the qualified status of a retirement plan receiving the Services.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There are no Criminal or Civil Actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Representatives of CIS are also registered representatives of Cantella & Co., Inc.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither CIS nor its representatives are registered as a FCM, CPO, or CTA.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Representatives of CIS are also registered representative of Cantella & Co., Inc. From time to time, they will offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. CIS always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to utilize representatives in their capacity as registered representatives.

CIS shares a portion of its advisory fees with Cantella. This sharing of advisory fees is in return for administrative and operational support provided by Cantella. CIS representatives that are also registered representatives of Cantella effect all securities transactions for clients through Cantella. These securities transactions may or may not involve assets that CIS charges advisory fees on. Transactions on assets that CIS charges advisory fees on are effected via Cantella to CIS' custodial relationship with NFS (CRD#13041) or Pershing Advisor Solutions LLC (CRD# 36671). Clients may incur additional charges via Cantella for executing CIS' transactions with its custodian NFS or Pershing. Commissions earned by registered representatives of CIS through Cantella, for transactions that are not assets under management, are industry standard commission rates for registered representatives that are responsible for their own overhead and work as independent contractors of the broker.

D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections

CIS does not utilize nor select other advisers or third party managers. All assets are managed by CIS management. CIS does however utilize the services of a third party for buy and sell signals for the Tactical Strategy.

Item 11: Code of Ethics, Participation in Transactions, Personal Trading

A. Code of Ethics

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Clients may request a copy of our Code of Ethics from management.

B. Recommendations Involving Material Financial Interests

CIS does not buy from or sell securities to any of its clients. CIS does not act as a general partner in any partnership in which clients are solicited to invest. CIS does not act as an investment advisor to an investment company that it recommends to its clients.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of CIS may buy or sell securities for themselves that they also recommend to clients. CIS will always document any transactions that could be construed as conflicts.

D. Trading Securities At/Around the Same Time as Clients' Securities

CIS does not utilize a blackout policy; because of CIS's regular review of accounts, there is no set buy and sell period for certain securities, (unless being done in a block trade). Therefore employees are included with clients when accounts are being reviewed individually and traded as such. CIS strives to not give employees an advantage, but alternatively their association with CIS should not be a disadvantage either. Acting in the clients' best interest will always be the primary concern.

ERISA Client – Specific Code of Ethics Items

Affiliates of CIS may provide securities brokerage, recordkeeping or other Retirement Plan Services to plans and receive variable compensation for investment management and Retirement Plan Services. A conflict of interest may arise where CIS recommends the Retirement Plan Services of those affiliates.

CIS, our employees, and our independent contractor IARs benefit from the compensation paid to us, and may directly or indirectly receive a portion of the fees and other compensation paid by Retirement Plan Services clients. Those clients may also use other products or Retirement Plan Services available from or through us and in such case pay additional compensation. This practice creates a potential conflict of interest that may give us and our IARs an incentive to recommend advisory Retirement Plan Services based on the compensation received.

If the client desires instead to engage IAR to provide brokerage services acting as a registered representative of **Cantella & Co, Inc** and IAR will receive brokerage-related compensation for those services, such as commissions and/or trail fees. **Cantella & Co, Inc** provides information regarding such brokerage compensation at the time of a brokerage transaction. When considering whether to implement a recommendation through IAR and CIS, clients should discuss with the IAR how CIS and IAR will be compensated. Additionally, fees and commissions may also be higher for some brokerage products, services or Retirement Plan Services, and the remuneration and profitability to us, our IARs and affiliates resulting from transactions involving some accounts may be greater than the remuneration and profitability resulting from other advisory accounts, products or Retirement Plan Services.

We address these conflicts through disclosure in this ADV and additional disclosures concerning compensation we may receive, directly or indirectly. We will also offset or refund additional compensation when required by law. Moreover, we have adopted policies and procedures to address the suitability of investments and strategies offered to you.

It is important to note that clients are under no obligation to grant CIS investment discretion. Clients should understand that the investment products, securities and services that an IAR may select as part of Retirement Plan Services are available to be purchased through broker-dealers, investment advisors or other investment firms not affiliated with CIS.

Client should understand that CIS and IAR may perform advisory and/or brokerage services for various other clients, and that CIS and IAR may give advice or take actions for those other clients that differ from the advice given to the client. The timing or nature of any action taken for a client may also be different.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

The Custodians, National Financial Services, LLC (CRD# 13041) (NFS), and Pershing Advisor Solutions LLC (CRD# 36671) (Pershing) were chosen based on their relatively low transaction fees and access to mutual funds and ETFs. All security transactions are executed via Cantella through its custodians NFS or Pershing. Clients may incur additional charges that they might not incur through other investment advisory relationships.

The Custodian, Pershing Advisor Solutions LLC (CRD# 36671) was chosen by Cantella & Co, LLC for execution of the Tactical Strategy. Due to the highly technical nature of the trading strategy, choosing only one custodian was done for efficiency and Pershing's reputation for service and demonstrated excellent executions.

1. Research and Other Soft-Dollar Benefits

CIS receives research, products, or other services from its broker/dealer or another third-party in connection with client securities transactions ("soft dollar benefits"). There is no minimum client number or dollar number that CIS must meet in order to receive free research from the custodian or broker/dealer. There is no incentive for CIS to direct clients to this particular broker-dealer over other broker-dealers who offer the same services. However, because this firm does not have to produce or pay for services or products it has an incentive to choose a custodian that provides those services based on its interests rather than the clients' interests. The first consideration when recommending broker/dealers to clients is best execution. NFS and Pershing have demonstrated that their best execution is acceptable. CIS always acts in the best interest of the client.

2. Brokerage for Client Referrals

CIS receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

CIS will not allow clients to direct CIS to use a specific broker-dealer to execute transactions. Clients must use CIS recommended custodian (broker-dealer). For securities transactions that CIS representatives earn commissions, Cantella is used as the broker dealer. CIS representatives are registered representatives of Cantella and cannot conduct securities transactions "away" from their broker dealer Cantella. All securities transactions for CIS clients are executed via Cantella with CIS' custodian NFS or Pershing. Clients may incur extra charges that they might not otherwise incur with other investment advisory relationships. Not all advisers require clients to use direct brokerage.

B. Aggregating (Block) Trading for Multiple Client Accounts

CIS maintains the ability to block trade purchases across accounts and will do so as often as possible. Block trading may benefit clients by purchasing larger blocks in groups, we do not feel that the clients are at a disadvantage due to the best execution practices of our custodian.

ERISA Client Brokerage Specifics

An adviser, when appropriate, may recommend that a Plan use a certain retirement plan platform or service provider (such as a record keeper, administrator or broker-dealer). That recommendation may include using our affiliate, **Cantella & Co**, to serve as broker-dealer in connection with the sale of securities or insurance products to the Plan. As noted above, for Plans that are subject to ERISA or are otherwise subject to Section 4975 of the Code, 12b-1 fees paid by product sponsors to **Cantella & Co** as broker-dealer of record to the Plan are used to offset the Fee.

Item 13: Reviews of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

Client accounts are reviewed at least quarterly by John J. Riley, Managing Member. John J. Riley is the chief advisor and is instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at IA are assigned to this reviewer. Pursuant to the CIS investment policy, concerning ETFs, accounts are monitored on an ongoing basis in relationship to the daily resets of the ETFs and their correlation to the long term returns of the index they track.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

C. Content and Frequency of Regular Reports Provided to Clients

Each client will receive a quarterly report from the custodian which is their statement of record and a quarterly performance report from CIS.

ERISA Account Review Practices

We will contact you at least once a year to review our Retirement Plan Services. It is important that you discuss any changes in the Plan's demographic information, investment goals, and objectives with your IAR. Plans may receive written reports directly from their IAR based upon the services being provided, including any reports evaluating the performance of Plan investment manager(s) or investments.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

CIS, its IARs and employees may receive additional compensation from various vendors, product providers, distributors and others. These providers may provide non-monetary compensation by paying some expenses related to training and education, including travel expenses, and attaining professional designations. Investment Adviser might receive payments to subsidize its own training programs. Certain vendors may invite Investment Adviser to participate in conferences, on-line training or provide it publications that may further its IARs and employees' skills and knowledge. Some may occasionally provide Investment Adviser gifts, meals and entertainment of reasonable value consistent with industry rules and regulations.

B. Compensation to Non-Advisory Personnel for Client Referrals

CIS may compensate other persons or organizations for client referrals. In each of those cases, Investment Adviser enters into an agreement with the referral agent and pays the agent a portion of the Fee. Many states require that any referral agent also be registered as an investment advisor representative. At the time that the agent refers Sponsor to Investment Adviser, the referral agent discloses to Sponsor both the arrangement with Investment Adviser and the compensation to be received by the referral agent. Investment Adviser and its IARs may also offer advisory services on the premises of unaffiliated financial institutions, like banks or credit unions. If so, Investment Adviser will have entered into agreements with the financial institutions to share compensation, including a portion of the Fee, with the financial institution for the use of the financial institution's facilities and for client referrals.

Item 15: Custody

CIS, with client written authority, has limited custody of client's assets through direct fee deduction of CIS's Fees only. If the client chooses to be billed directly by National Financial Services, LLC (CRD# 13041), or Pershing, LLC (CRD# 7560), CIS would have constructive custody over that account and must have written authorization from the client to do so. Clients will receive all required account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

For CIS clients who conduct securities transactions that are not assets under management of CIS and charged advisory fees, a traditional broker dealer relationship will exist with Cantella.

ERISA Client Custody Specifics

CIS and IAR will not serve as a custodian for Plan assets in connection with the Retirement Plan Services. The Sponsor is responsible for selecting the custodian for Plan assets for non-fiduciary, non-managed plans. Pershing is the only custodian CIS utilizes for managed plans. This may result in higher or lower fees than the Sponsor would be charged with the use of another custodian. IAR and CIS may be listed as the contact for the Plan account held at an investment sponsor or custodian. The Sponsor for the Plan will complete account paperwork with the outside custodian that will provide the name and address of the custodian. The custodian for Plan assets is responsible for providing the Plan with periodic confirmations and statements. CIS recommends that Sponsors review the statements and reports received directly from the custodian or investment sponsor.

Item 16: Investment Discretion

For those client accounts where CIS provides ongoing supervision, the client has given CIS written discretionary authority over the client's accounts with respect to securities to be bought or sold and the amount of securities to be bought or sold. Details of this relationship are fully disclosed to the client before any advisory relationship has commenced. The client provides CIS discretionary authority via a limited power of attorney in the Investment Advisory Contract and in the contract between the client and the custodian.

ERISA Client Account Discretion

When providing any ERISA 3(38) Investment Management Fiduciary Services, CIS exercises discretionary authority or control over assets of the Plan. CIS will perform these services to the plan as a fiduciary under ERISA Section 3(38) and will act with the degree of diligence, care and skill that a prudent person rendering similar services would exercise under similar circumstances. This discretionary authority is specifically granted to CIS by the Plan Sponsor, as specified in the Agreement.

Item 17: Voting Client Securities (Proxy Voting)

CIS will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 18: Financial Information

A. Balance Sheet

CIS does not require nor solicit prepayment of more than \$500 in fees per managed money client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

CIS nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

CIS nor its management have been the subject of a bankruptcy petition in the last ten years.

Item 19: Requirements For State Registered Advisers

A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background

CIS currently has only one management person/executive officer; John Riley. John Riley's education and business background can be found on the Supplemental ADV Part 2B form. James Simmons is also a silent owner of the firm; as a silent owner, he provides no investment advice to clients.

B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)

John Riley's other business activities can be found on the Supplemental ADV Part 2B form.

C. How Performance Based Fees are Calculated and Degree of Risk to Clients

CIS does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

D. Material Disciplinary Disclosures for Management Persons of this Firm

E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)

Neither CIS, nor its management persons, has any relationship or arrangement with issuers of securities.