Form 5500-SF

Department of the Treasury Internal Revenue Service

Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation Short Form Annual Return/Report of Small Employee Benefit Plan

This form is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

2000

OMB Nos. 1210-0110 1210-0089

2009

This Form is Open to Public Inspection

| Р | ension Benefit Guaranty Corporation | ▶ Complete all entries in accor | dance wit | h the instructions to the Form 5500 | 0-SF. | | | |
|---|--|---|------------|--|--|-------------------|--------------------|--|
| | | lentification Information | | | | | | |
| For | calendar plan year 2009 or fisca | al plan year beginning 01/01/200 | 9 | and ending 1 | 2/31/2 | 2009 | | |
| Α - | This return/report is for: | x single-employer plan | multiple-e | employer plan (not multiemployer) | | one-participa | ant plan | |
| B This return/report is for: first return/report final return/report | | | | | | _ | | |
| | Ţ | an amended return/report | short plar | year return/report (less than 12 mor | nths) | | | |
| C | Check box if filing under: | Form 5558 | - | extension | | DFVC progra | am | |
| | | special extension (enter description | Į. | | | | | |
| Do | rt II Pacia Plan Inform | nation—enter all requested inform | • | | | | | |
| | | ilation—enter all requested inform | ation | | 1h | Three-digit | | |
| | Name of plan NERSTONE FINANCIAL GROU | JP, INC. 401(K) RETIREMENT PLA | N | | וט | plan number | | |
| | | , | | | | (PN) • | 002 | |
| | | | | | 1c | Effective date of | | |
| | | | | | | 01/01/2 | | |
| | • | ess (employer, if for single-employer | plan) | | 2b | | ification Number | |
| COR | NERSTONE FINANCIAL GROU | JP, INC. | | | 20 | (EIN) 05-047 | telephone number | |
| 1350 | DIVISION ROAD | | | | 20 | | 34-5700 | |
| SUIT | E 301 T WARWICK, RI 02893-7552 | | | | 2d | Business code | (see instructions) | |
| | • | | | | | 524210 | | |
| | Plan administrator's name and NERSTONE FINANCIAL GROU | address (if same as Plan sponsor, e | | ∍") | 3b Administrator's EIN 05-0474165 | | | |
| OOK | NEROTONE I INANOIAE OROC | SUITE 301 | | | 3c | | telephone number | |
| | | WEST WAR | WICK, RI | 12893-7552 | • | | 34-5700 | |
| | • | an sponsor has changed since the la | | port filed for this plan, enter the | 4b EIN | | | |
| ı | name, EIN, and the plan numbe | r from the last return/report. Sponso | r's name | | 10 | PN | | |
| 5a | Total number of participants at | the beginning of the plan year | | | 5a | | 40 | |
| _ | | the end of the plan year | | | | | 48 | |
| | | • • | | | 5b | | 50 | |
| С | | ith account balances as of the end o | | • | 5с | | 50 | |
| 6a | Were all of the plan's assets d | luring the plan year invested in eligib | le assets? | (See instructions.) | | | X Yes No | |
| | Are you claiming a waiver of th | ne annual examination and report of | an indeper | ndent qualified public accountant (IQI | PA) | | | |
| | | | | ons.) | | | X Yes No | |
| Da | | | orm 5500- | SF and must instead use Form 550 | 00. | | | |
| | rt III Financial Informa | ation | | | | | | |
| 7 | Plan Assets and Liabilities | | | (a) Beginning of Year | _ | (b) End | l of Year | |
| | Total plan assets | | . 7a | 1635480 | , | | 2068196 | |
| b | • | | . 7b | 1005100 | _ | | 0000400 | |
| <u> </u> | | 7b from line 7a) | . 7c | 1635480 |) | | 2068196 | |
| 8 | Income, Expenses, and Transf | | | (a) Amount | | (b) | Total | |
| а | Contributions received or recei | vable from: | . 8a(1) | 38536 | 5 | | | |
| | | | . 8a(2) | 128643 | 3 | | | |
| | • • • |) | | 22867 | | | | |
| b | | | , , | 292400 | _ | | | |
| C | ` , | 8a(2), 8a(3), and 8b) | | | | | 482446 | |
| d | | rollovers and insurance premiums | | | | | | |
| | to provide benefits) | • | . 8d | 48265 | 5 | | | |
| е | Certain deemed and/or correct | tive distributions (see instructions) | . 8e | | | | | |
| f | Administrative service provider | rs (salaries, fees, commissions) | . 8f | | | | | |
| g | Other expenses | | . 8g | 1465 | 5 | | | |
| h | Total expenses (add lines 8d, | 8e, 8f, and 8g) | . 8h | | | | 49730 | |
| i | Net income (loss) (subtract line | e 8h from line 8c) | . 8i | | | | 432716 | |
| j | Transfers to (from) the plan (se | ee instructions) | . 8i | | | | | |

| Part IV | Plan | Charac | teristics |
|---------|------|--------|-----------|

Signature of plan administrator

Signature of employer/plan sponsor

SIGN HERE

If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions: 2A 2E 2F 2G 3D

| D ' | 11 1110 | plan provides wellare beliefits, effer the applicable wellare feat | ure codes from the | List of Flair Chara | Cleris | iic Co | ues III | uie ilisuut | Juons. | | |
|----------------|--|---|-----------------------|----------------------|---|----------|----------------------|--------------|--------|------------------|--|
| Part | ٧ | Compliance Questions | | | | | | | | | |
| 10 | During the plan year: | | | | | | No | Amou | | ıt | |
| а | Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? (See instructions and DOL's Voluntary Fiduciary Correction Program) | | | | | | X | | | | |
| b | | e there any nonexempt transactions with any party-in-interest? (Ine 10a.) | | • | 10b | | X | | | | |
| С | Wa | s the plan covered by a fidelity bond? | | | 10c | X | | | | 300000 | |
| d | | | | | | | | | | | |
| | | | | | | | | | 2039 | | |
| f | Has | the plan failed to provide any benefit when due under the plan? | | | 10f | | X | | | | |
| g | Did | the plan have any participant loans? (If "Yes," enter amount as of | f year end.) | | 10g | X | | | | 21881 | |
| h | | s is an individual account plan, was there a blackout period? (Se | | | 10h | | X | | | | |
| i | | h was answered "Yes," check the box if you either provided the reptions to providing the notice applied under 29 CFR 2520.101-3 | | | 10i | | | | | | |
| Part ' | VI | Pension Funding Compliance | | | | | | | | | |
| | | s a defined benefit plan subject to minimum funding requirement | | | | | | | Y | es X No | |
| 12 | ls t | is a defined contribution plan subject to the minimum funding rec | quirements of sectio | n 412 of the Code | or se | ction (| 302 of | ERISA? | , T | es 🔀 No | |
| | • | es," complete 12a or 12b, 12c, 12d, and 12e below, as applicabl | , | | | | | | | | |
| | | vaiver of the minimum funding standard for a prior year is being a ting the waiver. | | | | | | | | | |
| | - | ompleted line 12a, complete lines 3, 9, and 10 of Schedule M | | | | | Day | | Teal _ | | |
| | | r the minimum required contribution for this plan year | | _ | | [| 12b | | | | |
| | | r the amount contributed by the employer to the plan for this plan | | | | 1 | 12c | | | | |
| d | Sub | ract the amount in line 12c from the amount in line 12b. Enter the | e result (enter a min | us sign to the left | of a | | 12d | | | | |
| е | Will | the minimum funding amount reported on line 12d be met by the | funding deadline? | | | | | Yes | No | N/A | |
| Part \ | VII | Plan Terminations and Transfers of Assets | | | | | | | | | |
| 13a | Has | a resolution to terminate the plan been adopted during the plan y | ear or any prior yea | ır? | | | | | Y | es X No | |
| | If "Y | es," enter the amount of any plan assets that reverted to the emp | lover this vear | | | Г | 13a | | | | |
| | Wer | e all the plan assets distributed to participants or beneficiaries, tra | | | | | ontrol | • | Y | es X No | |
| | | ring this plan year, any assets or liabilities were transferred from h assets or liabilities were transferred. (See instructions.) | this plan to another | plan(s), identify th | ne pla | n(s) to |) | | | | |
| 13 | 13c(1) Name of plan(s): | | | | | | 13c(2) EIN(s) | | | (3) PN(s) | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| Cauti | on: | A penalty for the late or incomplete filing of this return/report | t will be assessed | unless reasonab | le cau | ıse is | establ | lished. | | | |
| Under SB or | per Sch | alties of perjury and other penalties set forth in the instructions, I edule MB completed and signed by an enrolled actuary, as well a true, correct, and complete. | declare that I have | examined this retu | ırn/re _l | port, ir | ncludin | g, if applic | | | |
| SIGN | Filed with authorized/valid electronic signature. 08/10/2010 ROBERT F. CALISE | | | ISE | = | | | | | | |
| HERE | - Г | Signature of plan administrator | Date | Enter name of ir | er name of individual signing as plan administrator | | | | | | |

Date

Date

Enter name of individual signing as plan administrator

Enter name of individual signing as employer or plan sponsor

Form 5500-SF

Department of the Treasury Internal Revenue Service

Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation Short Form Annual Return/Report of Small Employee Benefit Plan

This form is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

> Complete all entries in accordance with the instructions to the Form 5500-SF.

2009

OMB Nos. 1210-0110

1210-0089

This Form is Open to Public Inspection

Annual Report Identification Information 01/01/2009 12/31/2009 For calendar plan year 2009 or fiscal plan year beginning and ending single-employer plan □ one-participant plan multiple-employer plan (not multiemployer) A This return/report is for: first return/report final return/report B This return/report is for: an amended return/report short plan year return/report (less than 12 months) Form 5558 automatic extension DFVC program C Check box if filing under: special extension (enter description) Basic Plan Information—enter all requested information 1a Name of plan Three-digit CORNERSTONE FINANCIAL GROUP, INC. plan number 002 (PN) ▶ 401(K) RETIREMENT PLAN 1c Effective date of plan 01/01/2001 2a Plan sponsor's name and address (employer, if for single-employer plan) CORNERSTONE FINANCIAL GROUP, INC. 2b Employer Identification Number (EIN) 05-0474165 2c Plan sponsor's telephone number (401)884-57001350 DIVISION ROAD 2d Business code (see instructions) SUITE 301 524210 WEST WARWICK RI 02893-7552 3a Plan administrator's name and address (if same as Plan sponsor, enter "Same") 3b Administrator's EIN 3c Administrator's telephone number 4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the 4b EIN name, EIN, and the plan number from the last return/report. Sponsor's name 4c PN 5a Total number of participants at the beginning of the plan year..... 48 5a b Total number of participants at the end of the plan year..... 50 5b c Total number of participants with account balances as of the end of the plan year (defined benefit plans do not 50 complete this item)..... 6a Were all of the plan's assets during the plan year invested in eligible assets? (See instructions.) **b** Are you claiming a waiver of the annual examination and report of an independent qualified public accountant (IQPA) X Yes under 29 CFR 2520.104-46? (See instructions on waiver eligibility and conditions.)..... If you answered "No" to either 6a or 6b, the plan cannot use Form 5500-SF and must instead use Form 5500. Part III Financial Information Plan Assets and Liabilities (a) Beginning of Year (b) End of Year 1,635,480 2,068,196 Total plan assets..... 7a b Total plan liabilities..... 7b Net plan assets (subtract line 7b from line 7a)..... 7с 1,635,480 2,068,196 8 Income, Expenses, and Transfers for this Plan Year (a) Amount (b) Total Contributions received or receivable from: (1) Employers 38,536 8a(1) 128,643 8a(2) (2) Participants 22,867 (3) Others (including rollovers)..... 8a(3) 292,400 b Other income (loss)..... 8b 482,446 Total income (add lines 8a(1), 8a(2), 8a(3), and 8b) Benefits paid (including direct rollovers and insurance premiums 48,265 to provide benefits)..... 8d Certain deemed and/or corrective distributions (see instructions)... 8e Administrative service providers (salaries, fees, commissions)...... 8f 1,465 Other expenses..... 8g 49,730 Total expenses (add lines 8d, 8e, 8f, and 8g)..... 8h 432,716 Net income (loss) (subtract line 8h from line 8c)..... 8i Transfers to (from) the plan (see instructions)

| Form | 5500 | SF. | 2000 |
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|------|------------|-----|--|
| Page | Z - | I . | |

| Pai | t IV Plan Characteristics | | and the second s | | ~ | | Description of the Control of the Co | |
|----------|--|--|--|---------------------------------------|------------------|-------------------------------|--|--|
| 9a | · · · · · · · · · · · · · · · · · · · | | | | | | | |
| b | 2A 2E 2F 2G 3D If the plan provides welfare benefits, enter the applicable welfare feat | ture codes from the | List of Plan Characte | eristic Co | des in t | the instructi | ons: | |
| Par | V Compliance Questions | Defening the second sec | | · · · · · · · · · · · · · · · · · · · | | | Bit to the property of the second sec | |
| 10 | During the plan year: | | - W. | Yes | No | | Amount | |
| а | Was there a failure to transmit to the plan any participant contribution 29 CFR 2510.3-102? (See instructions and DOL's Voluntary Fiducia | | | Оа | Х | | | |
| b | Were there any nonexempt transactions with any party-in-interest? (I on line 10a.) | | · · |)b | Х | | | |
| C | Was the plan covered by a fidelity bond? | | 10 | Oc X | | | 300,000 | |
| d | Did the plan have a loss, whether or not reimbursed by the plan's fide or dishonesty? | | |)d | Х | • | | |
| е | Were any fees or commissions paid to any brokers, agents, or other pinsurance service or other organization that provides some or all of the instructions.) | ne benefits under th | ne plan? (See | e X | | | 2,039 | |
| f | Has the plan failed to provide any benefit when due under the plan? | | | Of | Х | | | |
| g | Did the plan have any participant loans? (If "Yes," enter amount as of | f year end.) | 10 | g X | | | 21,881 | |
| h | If this is an individual account plan, was there a blackout period? (Sec 2520.101-3.) | | 29 CFR | | Х | | | |
| i | If 10h was answered "Yes," check the box if you either provided the reexceptions to providing the notice applied under 29 CFR 2520.101-3. | equired notice or o | ne of the |)i | | | | |
| Part | VI Pension Funding Compliance | | | | | | | |
| 11 | Is this a defined benefit plan subject to minimum funding requirements 5500)) | s? (If "Yes," see ins | structions and comple | te Sched | ule SB | (Form | Yes X No | |
| lf y | If a waiver of the minimum funding standard for a prior year is being a granting the waiver | B (Form 5500), an | Month _ d skip to line 13. | | Day _ | | /ear | |
| | Enter the amount contributed by the employer to the plan for this plan | | | - | 12c | | | |
| d | Subtract the amount in line 12c from the amount in line 12b. Enter the negative amount) | result (enter a min | us sign to the left of a | | 12d | | | |
| e | Will the minimum funding amount reported on line 12d be met by the f | funding deadline? | | | | Yes | No N/A | |
| Part | VII Plan Terminations and Transfers of Assets | | | | | | | |
| 13a | Has a resolution to terminate the plan been adopted during the plan ye | ear or any prior yea | аг? | | | | Yes X No | |
| | If "Yes," enter the amount of any plan assets that reverted to the empl | | | | 13a | | | |
| | Were all the plan assets distributed to participants or beneficiaries, tra of the PBGC? | | | | | | Yes X No | |
| С | If during this plan year, any assets or liabilities were transferred from t which assets or liabilities were transferred. (See instructions.) | his plan to another | plan(s), identify the p | lan(s) to | | | | |
| 1 | 3c(1) Name of plan(s): | 12.4 | | 13c(2) EIN(s) 13c(3) I | | | 13c(3) PN(s) | |
| | | | | | | | | |
| | | | | | | | | |
| <u>-</u> | | | | | | | | |
| | on: A penalty for the late or incomplete filing of this return/report | | | | | | | |
| SB or | penalties of perjury and other penalties set forth in the instructions, I d Schedule MB completed and signed by an enrolled actuary, as well as it is true, correct, and complete. | declare that I have s the electronic ver | examined this return/reposition of this return/reposition | eport, ind ort, and to | cluding the b | , if applicab est of my kr | le, a Schedule lowledge and | |
| SIGN | 11.6.6 | 8/2/2010 | ROBERT F. CAI | LISE | | | | |
| HERE | Signature of plan administrator Date Enter name of individual signing as plan administrator | | | | istrator | | | |
| SIGN | | | | 311 | | 1-2 | | |
| HERE | | Date | Enter name of indivi | dual sign | ing as | employer o | r plan sponsor | |