Report at the close of business as of the end of fiscal year

This Report is required by law: Section 5(c)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844 (c)(1)(A)); Section 8(a) of the International Banking Act (12 U.S.C. § 3106(a)); Sections 11(a)(1), 25 and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a); Section 211.13(c) of Regulation K (12 C.F.R. § 211.13(c)); and Section 225.5(b) of Regulation Y (12 C.F.R. § 225.5(b)) and section 10(c)(2)(H) of the Home Owners' Loan Act. Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

NOTE: The Annual Report of Holding Companies must be signed by one director of the top-tier holding company. This individual should also be a senior official of the top-tier holding company. In the event that the top-tier holding company does not have an individual who is a senior official and is also a director, the chairman of the board must sign the report.

I, Lorraine L. Brisell
Name of the Holding Company Director and Official
President & Director
Title of the Holding Company Director and Official
attest that the Annual Report of Holding Companies (including the supporting attachments) for this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

With respect to information regarding individuals contained in this report, the Reporter certifies that it has the authority to provide this information to the Federal Reserve. The Reporter also certifies that it has the authority, on behalf of each individual, to consent or object to public release of information regarding that individual. The Federal Reserve may assume, in the absence of a request for confidential treatment submitted in accordance with the Board's "Rules Regarding Availability of Information," 12 C.F.R. Part 261, that the Reporter and individual consent to public release of all details in the report concerning that individual.

Signature of Holding Company Director and Official

Date of Report (top-tier holding company's fiscal year-end):
December 31, 2015

This report form is to be filed by all top-tier bank holding companies and top-tier savings and loan holding companies organized under U.S. law, and by any foreign banking organization that does not meet the requirements of and is not treated as a qualifying foreign banking organization under Section 211.23 of Regulation K (12 C.F.R. § 211.23). (See page one of the general instructions for more detail of who must file.) The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, an information collection unless it displays a currently valid OMB control number.

For holding companies not registered with the SEC—indicate status of Annual Report to Shareholders:

☐ is included with the FR Y-6 report
☐ will be sent under separate cover
☐ is not prepared

For Federal Reserve Bank Use Only

RSSD ID: 3217537
C.I.:

Public reporting burden for this information collection is estimated to vary from 1.4 to 101 hours per response, with an average of 5.25 hours per response, including time to gather and maintain data in the required form and to review instructions and complete the information collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden; to: Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551, and to the Office of Management and Budget, Paperwork Reduction Project (7100-0297), Washington, DC 20503.
1: The bank holding company does prepare an annual report for its shareholders. Three copies are enclosed.

2a: Organization Chart

2b: Submitted via email on March 18, 2016.
Results: A list of branches for your depository institution: CORNERSTONE BANK, INC. (ID_RSSD: 978239).
This depository institution is held by CORNERSTONE FINANCIAL SERVICES, INC. (3217537) of WEST UNION, WV.
The data are as of 12/31/2014. Data reflects information that was received and processed through 01/07/2015.

Reconciliation and Verification Steps
1. In the Data Action column of each branch row, enter one or more of the actions specified below.
2. If required, enter the date in the Effective Date column.

Actions
OK: If the branch information is correct, enter 'OK' in the Data Action column.
Change: If the branch information is incorrect or incomplete, revise the data, enter 'Change' in the Data Action column and the date when this information first became valid in the Effective Date column.
Close: If a branch listed was sold or closed, enter 'Close' in the Data Action column and the sale or closure date in the Effective Date column.
Delete: If a branch listed was never owned by this depository institution, enter 'Delete' in the Data Action column.
Add: If a reportable branch is missing, insert a row, add the branch data, and enter 'Add' in the Data Action column and the opening or acquisition date in the Effective Date column.

Submission Procedure
When you are finished, send a saved copy to your FRB contact. See the detailed instructions on this site for more information.
If you are e-mailing this to your FRB contact, put your institution name, city and state in the subject line of the e-mail.

Note:
To satisfy the FR Y-10 reporting requirements, you must also submit FR Y-10 Domestic Branch Schedules for each branch with a Data Action of Change, Close, Delete, or Add.
The FR Y-10 report may be submitted in a hardcopy format or via the FR Y-10 Online application - https://y10online.federalreserve.gov.

* FDIC UNINUM, Office Number, and ID_RSSD columns are for reference only. Verification of these values is not required.
## Current Shareholders with ownership, control or holdings of 5% or more

With power to vote as of 12-31-15

<table>
<thead>
<tr>
<th>(1)(a) Name &amp; Address (City, State, County)</th>
<th>(1)(b) Country of Citizenship Or Incorporation</th>
<th>(1)(c) Number and Percentage of Each Class of Voting Securities</th>
<th>(2)(a) Name &amp; Address (City, State, County)</th>
<th>(2)(b) Country of Citizenship Or Incorporation</th>
<th>(2)(c) Number and Percentage of Each Class of Voting Securities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Craig G. Phillips Belington, WV</td>
<td>USA</td>
<td>435 – 8.7% common stock</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Rhonda M. Rossetti Bridgeport, WV 26330</td>
<td>USA</td>
<td>693 – 13.9% common stock</td>
<td>499 – 10.0% common stock as co-trustee (with Ronald B. Spencer) of Hugh K. Spencer Credit Trust</td>
<td>546 – 10.9% common stock as co-trustee (with Ronald B. Spencer) of Hugh K. Spencer Marital Trust A.</td>
<td>546 – 10.9% common stock as co-trustee (with Ronald B. Spencer) of Hugh K. Spencer Marital Trust A.</td>
</tr>
<tr>
<td>Estate of Earldean Spencer West Union, WV</td>
<td>USA</td>
<td>274 – 5.5% common stock</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Ronald B. Spencer Smithburg, WV</td>
<td>USA</td>
<td>704 – 14.3% common stock</td>
<td>499 – 10.0% common stock as co-trustee (with Rhonda M. Rossetti) of Hugh K. Spencer Credit Trust</td>
<td>546 – 10.9% common stock as co-trustee (with Rhonda M. Rossetti) of Hugh K. Spencer Marital Trust A.</td>
<td>546 – 10.9% common stock as co-trustee (with Rhonda M. Rossetti) of Hugh K. Spencer Marital Trust A.</td>
</tr>
</tbody>
</table>

## Shareholders not listed in (3)(1)(a) through 3(1)(c) that had ownership, control or holdings of 5% or more with power to vote during the fiscal year ending 12-31-15

<table>
<thead>
<tr>
<th>Name &amp; Address</th>
<th>Country of Citizenship Or Incorporation</th>
<th>Number and Percentage of Each Class of Voting Securities</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>
## Report Item 4: Insiders

<table>
<thead>
<tr>
<th>(1) Names &amp; Address (City, State, Country)</th>
<th>(2) Principal Occupation if other than with Bank Holding Company</th>
<th>(3)(a) Title &amp; Position with Bank Holding Company</th>
<th>(3)(b) Title &amp; Position with Subsidiaries (include names of subsidiaries)</th>
<th>(3)(c) Title &amp; Position with Other Businesses (include names of other businesses)</th>
<th>(4)(a) Percentage of voting shares in Bank Holding Company</th>
<th>(4)(b) Percentage of voting shares in subsidiaries (include names of subsidiaries)</th>
<th>(4)(c) List names of other companies (includes partnerships) if 25% or more of voting securities are held (List names of companies and percentage of voting securities held)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ronald B. Spencer Smithsburg, WV USA</td>
<td>President – Mid Atlantic of West Virginia</td>
<td>Director &amp; Chairman</td>
<td>Manager – Spencer Enterprises</td>
<td>35.2% - (1)</td>
<td>None</td>
<td>Spencer Enterprises (50.0%) Mid Atlantic of West Virginia (37.5%) Ron and Ronda LLC (50%)</td>
<td></td>
</tr>
<tr>
<td>Michael T. Hall Ellenboro, WV USA</td>
<td>President – Hall Drilling LLC</td>
<td>Director &amp; Vice President</td>
<td>President and Owner – Halls WV Welding</td>
<td>2.8%</td>
<td>None</td>
<td>Hall Drilling LLC (50%) Halls WV Welding (100%)</td>
<td></td>
</tr>
<tr>
<td>Lorraine L. Brisell West Union, WV USA</td>
<td>N/A</td>
<td>Director &amp; President</td>
<td>N/A</td>
<td>.6%</td>
<td>None</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Rhonda M. Rossetti Bridgeport, WV USA</td>
<td>Retired</td>
<td>Director</td>
<td>N/A</td>
<td>34.8% - (1)</td>
<td>None</td>
<td>Spencer Enterprises (50.0%)</td>
<td></td>
</tr>
<tr>
<td>James R. Barton Parkersburg, WV USA</td>
<td>Co-owner – Wincore Windows</td>
<td>Director</td>
<td>N/A</td>
<td>(2)</td>
<td>None</td>
<td>Wincore Windows (33.3%) WV Potato Chip Co. (32%)</td>
<td></td>
</tr>
</tbody>
</table>

(1) Ronald Blaine Spencer and Rhonda Margaret Rossetti each individually own 714 shares and 693 shares respectively, common stock of Cornerstone Financial Services, Inc. Additionally, Ronald Blaine Spencer and Rhonda Margaret Rossetti, in their capacities of Co-Trustees of Hugh K. Spencer Credit Trust and the Hugh K. Spencer Marital Trust A, jointly control the voting rights of 499 and 546, respectively.

(2) Identified Director owns less than .5% of the authorized and outstanding common stock of Cornerstone Financial Services, Inc.