

# SECURITIES AND EXCHANGE COMMISSION

## FORM 13F-HR

Initial quarterly Form 13F holdings report filed by institutional managers

Filing Date: **2011-11-07** | Period of Report: **2011-09-30**

SEC Accession No. **0001193125-11-299964**

([HTML Version](#) on [secdatabase.com](http://secdatabase.com))

### FILER

#### **CORNERSTONE CAPITAL MANAGEMENT INC //MN**

CIK: **1123570** | IRS No.: **411763532** | State of Incorporation: **MN** | Fiscal Year End: **1231**  
Type: **13F-HR** | Act: **34** | File No.: **028-05923** | Film No.: **111185273**

#### Mailing Address

*7101 W. 78TH STREET, SUITE 201  
MINNEAPOLIS MN 55439*

#### Business Address

*7101 W. 78TH STREET, SUITE 201  
MINNEAPOLIS MN 55439  
9522298101*

=====

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 13F

FORM 13F COVER PAGE

Report for the Calendar Year or Quarter Ended: September 30, 2011

Check here if Amendment []; Amendment Number: \_\_\_\_\_

This Amendment (Check only one.): [] is a restatement.  
[] adds new holdings entries.

Institutional Investment Manager Filing this Report:

Name: Cornerstone Capital Management, Inc.

Address: 7101 W. 78th Street  
Suite 201  
Minneapolis, MN 55439

Form 13F File Number: 28-05923

The institutional investment manager filing this report and the person by whom it is signed hereby represent that the person signing the report is authorized to submit it, that all information contained herein is true, correct and complete, and that it is understood that all required items, statements, schedules, lists, and tables, are considered integral parts of this form.

Person Signing this Report on Behalf of Reporting Manager:

Name: Loren Kix

Title: Chief Executive Officer

Phone: (952) 229-8120

Signature, Place, and Date of Signing:

/s/ Loren Kix      Minneapolis, Minnesota      November 4, 2011  
[Signature]                      [City, State]                      [Date]

Report Type (Check only one.):

13F HOLDINGS REPORT. (Check here if all holdings of this reporting manager are reported in this report.)

13F NOTICE. (Check here if no holdings reported are in this report, and all holdings are reported by other reporting manager(s).)

13F COMBINATION REPORT. (Check here if a portion of the holdings for this reporting manager are reported in this report and a portion are reported by other reporting manager(s).)

| Form 13F File Number | Name                  |
|----------------------|-----------------------|
| 28-01190             | Frank Russell Company |

=====

FORM 13F SUMMARY PAGE

Report Summary:

Number of Other Included Managers: 0

Form 13F Information Table Entry Total: 95

Form 13F Information Table Value Total: \$706,082  
(thousands)

List of Other Included Managers:

None.

Provide a numbered list of the name(s) and Form 13F file number(s) of all institutional investment managers with respect to which this report is filed, other than the manager filing this report.

None.

CORNERSTONE CAPITAL MANAGEMENT, INC.  
FORM 13F INFORMATION TABLE

30-SEP-11

<TABLE>  
<CAPTION>

| NAME OF ISSUER               | TITLE OF CLASS | CUSIP     | VALUE<br>(X\$1000) | SHARES/<br>PRN AMT | SH/<br>PRN | PUT/<br>CALL | INVSTMT<br>DISCRETN | VOTING AUTHORITY  |        |        |        |
|------------------------------|----------------|-----------|--------------------|--------------------|------------|--------------|---------------------|-------------------|--------|--------|--------|
|                              |                |           |                    |                    |            |              |                     | OTHER<br>MANAGERS | SOLE   | SHARED | NONE   |
| <S>                          | <C>            | <C>       | <C>                | <C>                | <C>        | <C>          | <C>                 | <C>               | <C>    | <C>    | <C>    |
| Acme Packet Inc              | COM            | 004764106 | 4396               | 103221             | SH         |              | Sole                |                   | 103221 |        |        |
| Acme Packet Inc              | COM            | 004764106 | 8614               | 202249             | SH         |              | Sole                |                   | 64439  |        | 137810 |
| Amazon Com Inc               | COM            | 023135106 | 5288               | 24457              | SH         |              | Sole                |                   | 24457  |        |        |
| Amazon Com Inc               | COM            | 023135106 | 10355              | 47887              | SH         |              | Sole                |                   | 15150  |        | 32737  |
| Anadarko Pete Corp           | COM            | 032511107 | 6553               | 103939             | SH         |              | Sole                |                   | 103939 |        |        |
| Anadarko Pete Corp           | COM            | 032511107 | 13743              | 217963             | SH         |              | Sole                |                   | 66474  |        | 151489 |
| Apple Inc                    | COM            | 037833100 | 22480              | 58952              | SH         |              | Sole                |                   | 58952  |        |        |
| Apple Inc                    | COM            | 037833100 | 43762              | 114765             | SH         |              | Sole                |                   | 34467  |        | 80298  |
| Baidu Inc                    | SPON ADR REP A | 056752108 | 15587              | 145792             | SH         |              | Sole                |                   | 44437  |        | 101355 |
| Baidu Inc                    | SPON ADR REP A | 056752108 | 7908               | 73972              | SH         |              | Sole                |                   | 73972  |        |        |
| British Amern Tob PLC        | SPONSORED ADR  | 110448107 | 7375               | 87041              | SH         |              | Sole                |                   | 87041  |        |        |
| British Amern Tob PLC        | SPONSORED ADR  | 110448107 | 14706              | 173568             | SH         |              | Sole                |                   | 49555  |        | 124013 |
| Broadcom Corp                | CL A           | 111320107 | 17485              | 525223             | SH         |              | Sole                |                   | 157523 |        | 367700 |
| Broadcom Corp Cl A Class A   | CL A           | 111320107 | 8196               | 246195             | SH         |              | Sole                |                   | 246195 |        |        |
| Cobalt Intl Energy Inc       | COM            | 19075F106 | 2659               | 344894             | SH         |              | Sole                |                   | 344894 |        |        |
| Cobalt Intl Energy Inc       | COM            | 19075F106 | 5273               | 683936             | SH         |              | Sole                |                   | 215255 |        | 468681 |
| Coca Cola Co                 | COM            | 191216100 | 1326               | 19628              | SH         |              | Sole                |                   | 7756   |        | 11872  |
| Colgate Palmolive Co         | COM            | 194162103 | 4367               | 49246              | SH         |              | Sole                |                   | 49246  |        |        |
| Colgate Palmolive Co         | COM            | 194162103 | 8638               | 97401              | SH         |              | Sole                |                   | 31374  |        | 66027  |
| Costco Whsl Corp New         | COM            | 22160k105 | 2277               | 27727              | SH         |              | Sole                |                   | 27727  |        |        |
| Costco Whsl Corp New         | COM            | 22160k105 | 4712               | 57370              | SH         |              | Sole                |                   | 17207  |        | 40163  |
| Diageo P L C                 | SPON ADR NEW   | 25243Q205 | 3905               | 51427              | SH         |              | Sole                |                   | 51427  |        |        |
| Diageo P L C                 | SPON ADR NEW   | 25243Q205 | 7202               | 94847              | SH         |              | Sole                |                   | 28018  |        | 66829  |
| Dicks Sporting Goods Inc     | COM            | 253393102 | 5475               | 163642             | SH         |              | Sole                |                   | 163642 |        |        |
| Dicks Sporting Goods Inc     | COM            | 253393102 | 11356              | 339379             | SH         |              | Sole                |                   | 102675 |        | 236704 |
| Disney Walt Co               | COM DISNEY     | 254687106 | 3761               | 124705             | SH         |              | Sole                |                   | 124705 |        |        |
| Disney Walt Co               | COM DISNEY     | 254687106 | 7471               | 247726             | SH         |              | Sole                |                   | 76174  |        | 171552 |
| Dow Chem CO                  | COM            | 260543103 | 3200               | 142457             | SH         |              | Sole                |                   | 142457 |        |        |
| Dow Chem Co                  | COM            | 260543103 | 6259               | 278655             | SH         |              | Sole                |                   | 86977  |        | 191678 |
| Express Scripts Inc          | COM            | 302182100 | 2501               | 67475              | SH         |              | Sole                |                   | 67475  |        |        |
| Express Scripts Inc          | COM            | 302182100 | 4901               | 132219             | SH         |              | Sole                |                   | 41686  |        | 90533  |
| Fluor Corp New               | COM            | 343412102 | 4112               | 88333              | SH         |              | Sole                |                   | 88333  |        |        |
| Fluor Corp New               | COM            | 343412102 | 8071               | 173373             | SH         |              | Sole                |                   | 54854  |        | 118519 |
| Freeport-Mcmoran Copper & Go | COM            | 35671d857 | 5112               | 167890             | SH         |              | Sole                |                   | 167890 |        |        |
| Freeport-Mcmoran Copper & Go | COM            | 35671d857 | 10477              | 344071             | SH         |              | Sole                |                   | 104932 |        | 239139 |
| General Dynamics Corp        | COM            | 369550108 | 7701               | 135375             | SH         |              | Sole                |                   | 135375 |        |        |
| General Dynamics Corp        | COM            | 369550108 | 15385              | 270435             | SH         |              | Sole                |                   | 83033  |        | 187402 |
| Gilead Sciences Inc          | COM            | 375558103 | 10166              | 262008             | SH         |              | Sole                |                   | 262008 |        |        |
| Gilead Sciences Inc          | COM            | 375558103 | 20730              | 534287             | SH         |              | Sole                |                   | 163002 |        | 371285 |
| Goldman Sachs Group Inc      | COM            | 38141G104 | 4551               | 48132              | SH         |              | Sole                |                   | 48132  |        |        |
| Goldman Sachs Group Inc      | COM            | 38141g104 | 9235               | 97678              | SH         |              | Sole                |                   | 28625  |        | 69053  |
| Google Inc                   | CL A           | 38259p508 | 7378               | 14326              | SH         |              | Sole                |                   | 14326  |        |        |
| Google Inc                   | CL A           | 38259p508 | 15609              | 30306              | SH         |              | Sole                |                   | 10074  |        | 20232  |
| Guess Inc                    | COM            | 401617105 | 2442               | 85721              | SH         |              | Sole                |                   | 85721  |        |        |
| Guess Inc                    | COM            | 401617105 | 4885               | 171481             | SH         |              | Sole                |                   | 54395  |        | 117086 |
| Halliburton Co               | COM            | 406216101 | 468                | 15348              | SH         |              | Sole                |                   |        |        | 15348  |
| HCP Inc                      | COM            | 40414L109 | 458                | 13062              | SH         |              | Sole                |                   |        |        | 13062  |
| Health Care Reit Inc         | COM            | 42217k106 | 380                | 8110               | SH         |              | Sole                |                   |        |        | 8110   |

|                              |          |           |       |          |    |      |        |          |
|------------------------------|----------|-----------|-------|----------|----|------|--------|----------|
| Hess Corp                    | COM      | 42809h107 | 3065  | 58430    | SH | Sole | 58430  |          |
| Hess Corp                    | COM      | 42809h107 | 5576  | 106283   | SH | Sole | 33691  | 72592    |
| Intel Corp                   | COM      | 458140100 | 1393  | 65289    | SH | Sole | 65289  |          |
| Intel Corp                   | COM      | 458140100 | 2692  | 126158   | SH | Sole | 39583  | 86575    |
| Johnson Ctls Inc             | COM      | 478366107 | 7082  | 268574   | SH | Sole | 268574 |          |
| Johnson Ctls Inc             | COM      | 478366107 | 14519 | 550603   | SH | Sole | 166920 | 383683   |
| Lauder Estee Cos Inc         | CL A     | 518439104 | 3671  | 41796    | SH | Sole | 41796  |          |
| Lauder Estee Cos Inc         | CL A     | 518439104 | 7342  | 83589    | SH | Sole | 27380  | 56209    |
| Lazard Ltd                   | SHS A    | G54050102 | 261   | 12383    | SH | Sole | 7737   | 4646     |
| Mastercard Inc               | CL A     | 57636q104 | 918   | 2894     | SH | Sole |        | 2894     |
| Medco Health Solutions Inc   | COM      | 58405u102 | 7029  | 149896   | SH | Sole | 149896 |          |
| Medco Health Solutions Inc   | COM      | 58405u102 | 13802 | 294341   | SH | Sole | 93296  | 201045   |
| MGIC Invt Corp Wis           | COM      | 552848103 | 108   | 57600    | SH | Sole |        | 57600    |
| Mosaic Co New                | COM      | 61945c103 | 5079  | 103709   | SH | Sole | 103709 |          |
| Mosaic Co New                | COM      | 61945c103 | 10405 | 212482   | SH | Sole | 64365  | 148117   |
| Myriad Genetics Inc          | COM      | 62855j104 | 3103  | 165565   | SH | Sole | 165565 |          |
| Myriad Genetics Inc          | COM      | 62855j104 | 6348  | 338765   | SH | Sole | 109569 | 229196   |
| Nuvasive Inc                 | COM      | 670704105 | 2600  | 152402   | SH | Sole | 152402 |          |
| Nuvasive Inc                 | COM      | 670704105 | 4998  | 292950   | SH | Sole | 93212  | 199738   |
| Opentable Inc                | COM      | 68372a104 | 4298  | 93406    | SH | Sole | 93406  |          |
| Opentable Inc                | COM      | 68372a104 | 8449  | 183633   | SH | Sole | 56873  | 126760   |
| Philip Morris Intl Inc       | COM      | 718172109 | 233   | 3735     | SH | Sole | 1680   | 2055     |
| Qualcomm Inc                 | COM      | 747525103 | 10206 | 209869   | SH | Sole | 209869 |          |
| Qualcomm Inc                 | COM      | 747525103 | 20556 | 422712.3 | SH | Sole | 129704 | 293008.3 |
| Robert Half Intl Inc         | COM      | 770323103 | 6412  | 302168   | SH | Sole | 302168 |          |
| Robert Half Intl Inc         | COM      | 770323103 | 12594 | 593493   | SH | Sole | 189316 | 404177   |
| Rockwell Automation Inc      | COM      | 773903109 | 7481  | 133590   | SH | Sole | 133590 |          |
| Rockwell Automation Inc      | COM      | 773903109 | 14629 | 261230   | SH | Sole | 83033  | 178197   |
| Salesforce Com Inc           | COM      | 79466L302 | 1280  | 11198    | SH | Sole | 11198  |          |
| Salesforce Com Inc           | COM      | 79466L302 | 2429  | 21257    | SH | Sole | 6719   | 14538    |
| Terex Corp New               | COM      | 880779103 | 1828  | 178141   | SH | Sole | 178141 |          |
| Terex Corp New               | COM      | 880779103 | 3629  | 353745   | SH | Sole | 109501 | 244244   |
| Textron Inc                  | COM      | 883203101 | 3965  | 224769   | SH | Sole | 224769 |          |
| Textron Inc                  | COM      | 883203101 | 7730  | 438191   | SH | Sole | 138693 | 299498   |
| Tiffany & Co New             | COM      | 886547108 | 2142  | 35225    | SH | Sole | 35225  |          |
| Tiffany & Co New             | COM      | 886547108 | 4230  | 69543    | SH | Sole | 21423  | 48120    |
| TJX Cos Inc New              | COM      | 872540109 | 5488  | 98940    | SH | Sole | 98940  |          |
| TJX Cos Inc New              | COM      | 872540109 | 11557 | 208347   | SH | Sole | 62077  | 146270   |
| Visa Inc                     | COM CL A | 92826c839 | 8211  | 95794    | SH | Sole | 95794  |          |
| Visa Inc                     | COM CL A | 92826c839 | 15291 | 178388   | SH | Sole | 59313  | 119075   |
| Weatherford International LT | REG SHS  | h27013103 | 6359  | 520790   | SH | Sole | 520790 |          |
| Weatherford International LT | REG SHS  | h27013103 | 12390 | 1014726  | SH | Sole | 322028 | 692698   |
| Wellpoint Inc                | COM      | 94973v107 | 6341  | 97143    | SH | Sole | 97143  |          |
| Wellpoint Inc                | COM      | 94973v107 | 12225 | 187276   | SH | Sole | 57335  | 129941   |
| Western Un Co                | COM      | 959802109 | 5590  | 365620   | SH | Sole | 365620 |          |
| Western Un Co                | COM      | 959802109 | 11637 | 761081.6 | SH | Sole | 217828 | 543253.6 |
| Xata Corp                    | COM NEW  | 983882309 | 20    | 12017    | SH | Sole |        | 12017    |

</TABLE>