

Firm Information – ADV Part 2 Brochure		
NorthStar Capital, Inc.	SEC File #: 801-50288	Date: October 3, 2012
84 State Street, Boston, MA 02109		Phone: (617) 723-3100

NORTHSTAR CAPITAL, INC.

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September 17, 2012

NorthStar Capital, Inc. (“the Firm”) is a registered investment advisor, which was founded in 1995 by William P. Rich to serve the needs of wealthy individuals, their families, and selected institutions. This brochure provides information about the qualifications and business practices of NorthStar Capital, Inc. If you have any questions about the contents of this brochure, please contact us at (617) 723-3100. The information in this brochure has not been approved or verified by the United States Securities and Exchanges Commission (SEC) or by any state securities authority. The SEC requires registered investment advisers to note that registration does not imply a certain level of skill or training. Additional information about NorthStar Capital, Inc. is available on the SEC’s website at www.adviserinfo.sec.gov and also on the website of NorthStar Capital at www.northstarcapitalinc.com.

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Item 4. Advisory Business

NorthStar Capital, Inc. (“the Firm”) is a registered investment advisor, which was founded in 1995 by William P. Rich to serve the needs of wealthy individuals, their families, and selected institutions. Our goal at NorthStar is to give individual investors the investment skills and services generally offered exclusively to the largest institutions. The Firm’s primary service is managing separate long-only portfolios on behalf of clients who give the Firm investment discretionary authority.

The circumstances of each client are unique, and each investment service is tailored to meet the individual needs of a particular client. We take the time to learn as much as possible about our clients, including their current financial conditions, their future needs and financial objectives, and the degree of financial risk they are willing to assume. We then develop an investment approach, considering the following: growth objectives, income needs, asset allocation, investment restrictions, existing holdings, and cost basis. In some cases, clients may impose restrictions on investing in certain securities and types of securities.

As of December 31, 2011, the Firm managed a total of \$51 million, with \$38 million on a discretionary basis and \$13 million on a non-discretionary basis.

Item 5. Fees and Compensation

The Firm’s standard annual fee is 1.5% of assets under management, calculated quarterly at one-quarter of the annual rate and billed in arrears. This fee is reduced to 1.25% annually for assets over \$500 thousand. The Firm’s fees are negotiable in certain cases. Clients may choose to have fees deducted from their assets held in custodial accounts or be billed for fees incurred. Clients may incur brokerage and other transaction costs. Please see Item 12 that discusses brokerage practices. Any investment in a mutual fund involves its own investment advisory fee and other expenses in addition to the Firm’s fee. The Firm and its supervised persons accept no compensation for the sale of securities or other investment products.

Item 6. Performance-Based Fees

The Firm does not charge performance-based fees.

Item 7. Types of Clients

Most of the Firm’s clients are wealthy individuals and families, and many have maintained accounts with NorthStar for many years. The Firm has experience managing accounts such as individual and joint accounts, individual and corporate retirement plans, IRA accounts, institutional accounts, trusts, and 401 (k) accounts.

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

NorthStar believes that well managed growth stocks, identified by fundamental research and purchased at reasonable valuations, can produce significant capital appreciation for our clients. The foundation of our philosophy is the belief that we are investing for the long term to meet the specific goals of our clients. While our focus is longer term, we are alert to interim changes in fundamentals and prices, and are willing to take short term action when justified. Over the long term, we want to outperform the appropriate index on behalf of our clients. The Firm highlights that investing in securities involves risk of loss that clients should be prepared to bear. Our approach has been implemented over many years and through numerous market cycles. As a result of our wealth of experience, we are able to make careful and deliberate decisions in the midst of difficult and demanding circumstances.

The Firm believes in the value of fundamental investment research. We screen databases for companies of all sizes that meet strict criteria for above average growth, profitability, and financial strength, because it is our experience that stocks which outperform often rank highly by these measures. We make selective use of Wall Street research and direct contact with company managements to complement our internal research. From our universe of actively followed stocks, we identify those securities which are attractive for purchase and those which should be sold. The Investment Committee meets weekly to discuss investment ideas, actions, and outlook. An informal office structure facilitates the rapid dissemination of investment ideas and gives us the ability to react to interim events in a timely manner. Portfolios are continuously monitored, with our largest holdings tracked on a day-to-day basis. In our quarterly letters to clients, we inform them of changes in portfolios and selected investment ideas, along with our views on the economy and the investments markets.

Item 9. Disciplinary Information

The Firm has no history of any legal or disciplinary events.

Item 10. Other Financial Industry Activities and Affiliations

NorthStar has arranged with TD Ameritrade to provide clearing and custodian services to the Firm's clients. This relationship is described in more detail in Items 12 & 14.

Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

NorthStar has developed a code of ethics for its employees to follow. The Code of Ethics requires that NorthStar employees place their fiduciary obligation to the clients of the

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firm ahead of their personal interests or those of the firm, while always remaining mindful of their obligation to comply with federal and state regulations and to the requirements addressed in the NorthStar Compliance Manual. The standard of client care at NorthStar requires that all employees safeguard information about the holdings, transactions, and personal data of clients and the investment recommendations and actions of the firm. To ensure that clients receive priority attention from employees, NorthStar requires that all personnel and members of their household annually disclose their “reportable securities” transactions and holdings to the Chief Compliance Officer. A copy of the NorthStar Capital Code of Ethics is available to clients upon request.

The Firm does not buy or sell for itself securities that it also recommends to clients, and it restricts its officers and directors from trading in the securities of an issuer for its or their accounts in advance of trading in such securities for its client accounts, except in cases where such officer or director is not involved in and has no prior knowledge of such client account trading. The Firm will transact in client accounts managed for officers. The Firm has no history of conflicts with respect to its Code of Ethics and would handle any such conflicts on a case-by-case basis.

Item 12. Brokerage Practices

The Firm has the authority to determine whether to buy or sell a security, the amount to be bought or sold, the broker or dealer to be used, and the commission rates to be paid. The Firm will respond to clients’ requests to suggest brokers to clients based on their expected ability to execute trades, their financial condition, and the anticipated commission rates.

Research is expected to be a factor in the selection of brokers, but only where clients will pay competitive or lower commissions as a consequence. The research obtained will be used to service all of the Firm’s accounts. The value of products, research, and services given to the Firm will be considered in selecting brokers or dealers, but only if such factors will not be disadvantageous to the economic interests of the client.

The Firm will frequently aggregate orders for its clients. All clients at a particular custodian who meet the custodian’s standards for aggregation will qualify for inclusion by the Firm in such trades and receive the same transaction price and commission rates as the other clients.

NorthStar participates in the institutional advisor program (the “Program”) offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade, Inc., member FINRA/SIPC/NFA (“TD Ameritrade”), an unaffiliated SEC-registered broker-dealer and FINRA member. Through its participation in the TD Ameritrade Institutional program, NorthStar also may receive discounts on compliance, marketing, technology and/or practice management services from third-party providers. NorthStar,

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however, is eligible to receive these benefits, regardless of the level of commissions it generates through TD Ameritrade.

Item 13. Review of Accounts

All of the Firm's client accounts are reviewed on a regular basis (at least twice a month) by the President. Each day, the Investment Committee monitors the Firm's top 50 largest holdings and determines the appropriate adjustments, if any, that need to be made. The Firm will also consider account changes due to factors such as: 1) changes in a client's financial situation or investment needs, 2) significant changes in economic or market conditions, and 3) rebalancing of a client's portfolio.

Clients receive printed quarterly reports on the holdings in their accounts that includes industry and sector diversification of the portfolio, the cost basis of securities held, and the percentage of each holding within an account. Clients also receive reports of general market conditions, the Firm's investment outlook, and holdings that were bought and sold during the quarter. Clients may also receive reports on transactions, performance, and realized gains or losses.

Item 14. Client Referrals and Other Compensation

As disclosed above, NorthStar participates in the TD Ameritrade Institutional program and may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between the NorthStar's participation in the program and the investment advice it provides to its clients, although NorthStar receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk servicing program participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for order entry and account information; and access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to NorthStar by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by NorthStar's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit NorthStar but may not benefit its client accounts. These products or services may assist NorthStar in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help NorthStar manage and further develop its business enterprise. These benefits received by NorthStar or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, NorthStar endeavors

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at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by NorthStar or its related persons in and of itself creates

a potential conflict of interest and may indirectly influence NorthStar's choice of TD Ameritrade for custody and brokerage services.

NorthStar will pay referral fees according to the schedule established in the written agreement between NorthStar and a solicitor. NorthStar has agreements with two firms, Matrix Financial and Collard & Sowizral, P.C., to introduce potential clients to NorthStar when they deem it appropriate. If such a candidate engages NorthStar's services, NorthStar has agreed to pay the referring firm a fee of 25% of the advisory fee that the client pays to NorthStar which is calculated quarterly at one-quarter of the annual rate and paid in arrears. The fee is paid per an established written agreement with each of these firms and as disclosed to the client in the investment management agreement.

NorthStar may receive client referrals from TD Ameritrade through its participation in TD Ameritrade AdvisorDirect. In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, NorthStar may have been selected to participate in the AdvisorDirect based on the profitability to TD Ameritrade of the assets in, and trades placed for, client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer, which is independent of and unaffiliated with NorthStar Capital and there is no employee or agency relationship between them. TD Ameritrade has established AdvisorDirect as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisors. TD Ameritrade does not supervise NorthStar and has no responsibility for NorthStar's management of client portfolios or NorthStar's other advice or services. NorthStar pays TD Ameritrade an on-going fee for each successful client referral. This fee is usually a percentage (not to exceed 25%) of the advisory fee that the client pays to NorthStar ("Solicitation Fee"). NorthStar will also pay TD Ameritrade the Solicitation Fee on any advisory fees received by NorthStar from any of a referred client's family members, including a spouse, child or any other immediate family member who resides with the referred client and hired NorthStar on the recommendation of such referred client. NorthStar will not charge clients referred through AdvisorDirect any fees or costs higher than its standard fee schedule offered to its clients or otherwise pass Solicitation Fees paid to TD Ameritrade to its clients. For information regarding additional or other fees paid directly or indirectly to TD Ameritrade, please refer to the TD Ameritrade AdvisorDirect Disclosure and Acknowledgement Form.

NorthStar's participation in AdvisorDirect raises potential conflicts of interest. TD Ameritrade will most likely refer clients through AdvisorDirect to investment advisors that encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to obtain client referrals from TD Ameritrade, NorthStar may have an incentive to recommend to clients

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that the assets under management by NorthStar be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. In addition, NorthStar has agreed not to solicit clients referred to it through AdvisorDirect to transfer their

accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when its fiduciary duties require doing so. NorthStar's participation in AdvisorDirect does not diminish its duty to seek best execution of trades for client accounts.

Item 15. Custody

Clients receive account statements directly from the broker-dealer holding custody of their assets. Clients have the option to receive monthly paper statements or monthly electronic statements and clients should carefully review their statements each month. Each quarterly, clients receive from the Firm a Portfolio Appraisal Exhibit and clients should compare the account statements they receive from the custodian with the appraisals they receive from the Firm.

Item 16. Investment Discretion

Clients give the Firm discretionary authority to manage securities accounts on their behalf. The Firm assumes investment discretionary authority over an account when the client signs the power of attorney section that allows for the advisor to have discretion over the account. The Firm has the authority to determine whether to buy or sell a security, the amount to be bought or sold, the broker or dealer to be used, and the commission rates to be paid. The Firm will respond to clients' requests to suggest brokers to clients based on their expected ability to execute trades, their financial condition, and the anticipated commission rates.

Research is expected to be a factor in the selection of brokers, but only where clients will pay competitive or lower commissions as a consequence. The research obtained will be used to service all of the Firm's accounts. The value of products, research, and services given to the Firm will be considered in selecting brokers or dealers, but only if such factors will not be disadvantageous to the economic interests of the client.

The Firm will frequently aggregate orders for its clients. All clients at a particular custodian who meet the custodian's standards for aggregation will qualify for inclusion by the Firm in such trades and receive the same transaction price and commission rates as the other clients.

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technology and/or practice management services from third-party providers. NorthStar, however, is eligible to receive these benefits, regardless of the level of commissions it generates through TD Ameritrade.

Item 17. Voting Client Securities

The Firm's proxy voting policy states that it will support proposals and director nominees which it judges to be in the best interest of its clients. In general, it favors proposals that align the interests of management with those of shareholders and that promote corporate accountability and disclosure. Any conflict of interest arising from a proxy will be voted in favor of the shareholder. Annually, clients receive the Firm's Proxy Voting Policies. Guidelines. Upon request, clients shall receive NorthStar's record of its vote of a client's shares.

Item 18. Financial Information

The Firm does not require prepayment of investment management fees.

Item 19. Education and Background

William Pettingell Rich

Year of Birth: 1946

Formal Education after High School:
Dartmouth College - BA 1968
Harvard Business School – MBA 1971

Business Background:

President & Director
NorthStar Capital, Inc.
84 State Street
Boston, MA 02109

09/95 - Present

President
Emerson Investment Management, Inc.
11 Beacon Street
Boston, MA

Investments
07/93 – 08/95

President
State Street Research & Management Co.
One Financial Center
Boston, MA

Investments
03/90 – 01/93

Chief Investment Officer

10/88 – 01/93

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Director of Research	02/86 – 10/88
Executive Vice President	05/88 – 03/90
Senior Vice President	02/86 – 05/88
Vice President	11/84 – 02/86

Partner	01/79 – 01/83
Portfolio Manager	06/83 – 01/93
Analyst	06/71 – 03/84
State Street Research & Management Co.	Investments

Christopher J. Veneto

Year of Birth: 1968

Formal Education after High School:
University of Massachusetts at Dartmouth – 1986-1991

Business Background:

Vice President NorthStar Capital, Inc. 84 State Street Boston, MA 02109	01/07 - Present
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Investment Consultant TD Waterhouse 44 Granite Street Braintree, MA 02184	01/05 – 01/07
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Vice President Firefly Capital 76 Summer Street Boston, MA 02110	09/03 – 11/04
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Investment Advisor Smith Barney 28 State Street Boston, MA 02109	02/01 – 11/02
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Financial Consultant Merrill Lynch 2 Batterymarch Park Quincy, MA 02169	08/98 – 02/01
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Stephanie L. Haley

Year of Birth: 1978

Formal Education after High School:
Saint Anselm College – BA 2000

Business Background

Operations Manager

07/00-Present

Chief Compliance Office

07/11-Present

NorthStar Capital, Inc.

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