



Stellar Capital Management, LLC

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Form ADV – Part 2B

The Brochure Supplement

March 22, 2012

This Brochure Supplement provides information about Stephen J. Taddie, John Reimer, Philip A. LaMell, and Richard D. Stern. It supplements the Stellar Capital Management, LLC Form ADV Part 2A Brochure. Please contact Sheryl Rayner, Vice President of Operations/Chief Compliance Office, if you did not receive Stellar's Brochure or if you have any questions about the contents of this supplement.

Additional information about all our portfolio managers is available on the SEC's website at www.adviserinfo.sec.gov.

Stephen J. Taddie

Educational Background and Business Experience

Stephen J. Taddei (aka Taddie) was born in 1959. He received a Bachelor of Science degree in Economics from Lehigh University in 1981, and a Masters degree in Business Administration in 1990 from the University of Phoenix.

Mr. Taddie co-founded Stellar Capital Management, LLC and has served as Managing Member since the firm's inception in 2000. He has over 25 years of professional experience in the investment field. Beginning his career as a Financial Consultant with Merrill Lynch in Arizona, he managed an office for Prudential Securities on the East Coast, headed the Arizona office for a mid-sized investment advisory firm, and later established S.J. Taddie, Inc., Investment Counsel, prior to co-founding Stellar Capital Management. During that time he has worked with a select group of clients ranging from publicly traded corporations, government entities, and Native American Indian Tribes, to high net worth individuals and families across the country. He is frequently asked to speak on economic and investment management trends, has authored numerous articles and has often been quoted on the same subjects.

Item 3- Disciplinary Information

Mr. Taddie has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Mr. Taddie or Stellar Capital Management, LLC.

Item 4- Other Business Activities

Mr. Taddie is affiliated with Stellar Investment Alliance LP (the "*Fund*") a private investment fund whose objective is to invest in non-public investment vehicles as deemed appropriate by the General Partner. Mr. Taddie is the Managing Partner of Square T Partners, LLC which serves as the fund's General Partner. Stellar may recommend, on a non-discretionary basis, that qualified clients allocate a portion of their investment assets to the *Fund*. To the extent that Stellar's individual advisory clients qualify, and determine that an investment is appropriate given their investment objective(s) and financial situation, they may participate as limited partners of the *Fund*. The terms and conditions for participation in the *Fund* are set forth in the *Fund's* offering documents (discussing fees -- including management and incentive fees payable to the General Partner and/or Stellar, conflicts of interest, risk factors, and liquidity constraints), which each prospective investor client shall receive, and shall be required to complete and submit the corresponding Subscription Agreement to the General Partner in order to demonstrate qualification for investment in the *Fund*.

Mr. Taddie is a Partner in Plan Sponsor Services, LLC ("PSS"), a consulting firm specializing in retirement plan services. PSS provides administrative services and is in a position to recommend investment consulting matters to Stellar Capital Management. In addition, Stellar may refer prospective and/or current clients to PSS and Mr. Taddie may benefit as an equity owner.

Mr. Taddie has served as a FINRA arbitrator since 1991 and receives compensation on a case-by-case basis. FINRA operates the largest dispute resolution forum in the securities industry to assist in the resolution of monetary and business disputes between and among investors, securities firms and individual registered representatives. In arbitration, an impartial judge, called an arbitrator, hears all sides of the issue, studies the evidence, and then decides how the matter should be resolved. The arbitrator's decision is final.

Item 5- Additional Compensation

Mr. Taddie does not receive economic benefits from any person or entity other than Stellar Capital Management, LLC. in connection with the provision of investment advice to clients, except as disclosed in Item 4.

Item 6 - Supervision

As Managing Member, Mr. Taddie maintains ultimate responsibility for the company's operations. Each Portfolio Manager serves as a member of the Investment Committee which meets regularly to discuss the economy, the markets, and investment decisions. Operational decisions are the responsibility of Stephen J. Taddie and Chief Compliance Officer Sheryl L. Rayner. You may reach either of these individuals directly by calling the telephone number on the front page of this brochure supplement.

John Reimer

Educational Background and Business Experience

John Reimer was born in 1969. He received a Bachelor of Science in Finance from Arizona State University in 1991, and a Masters degree of Business Administration from the University of Missouri and Kansas City in 1995. Mr. Reimer received the Chartered Financial Analyst ("CFA") designation in 2006. The Chartered Financial Analyst designation is an international professional certification offered by the CFA Institute (formerly AIMR) to financial analysts who complete a series of three examinations. To become a CFA charterholder, candidates must pass each of three six-hour exams, possess a bachelor's degree from an accredited institution (or have equivalent education or work experience). The CFA curriculum includes these topic areas: Ethical and Professional Standards; Quantitative Methods (such as the time value of money and statistical inference); Economics; Financial Reporting and Analysis; Corporate Finance; Analysis of Investments (stocks, bonds, derivatives, venture capital, real estate, etc.) CFA charterholders are also obligated to adhere to a strict Code of Ethics and Standards governing their professional conduct.

Mr. Reimer has served as a Portfolio Manager since 2005 and was named Director of Research in 2009. He has over 20 years of professional experience in the investment field. He began his career with American Century Investors in 1991 as an Equity Analyst, and then served as Director of Research at Sentinel Pension Institute, investment consultants to over 60 Fortune 500 company pension plans. He established Advantage Capital Management, an investment management and consulting firm, and later became a portfolio manager at PacWest Financial Management prior to joining Stellar Capital Management.

Item 3- Disciplinary Information

Mr. Reimer has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Mr. Reimer or Stellar Capital Management, LLC.

Item 4- Other Business Activities

Mr. Reimer is not engaged in any other investment related business, and does not receive compensation in connection with any business activity outside of Stellar Capital Management, LLC.

Item 5- Additional Compensation

Mr. Reimer does not receive economic benefits from any person or entity other than Stellar Capital Management, LLC, in connection with the provision of investment advice to clients.

Item 6 - Supervision

As Managing Member, Mr. Taddie maintains ultimate responsibility for the company's operations. Each Portfolio Manager serves as a member of the Investment Committee which meets regularly to discuss the economy, the markets, and investment decisions. Operational decisions are the responsibility of Stephen J. Taddie and Chief Compliance Officer Sheryl L. Rayner. You may reach either of these individuals directly by calling the telephone number on the front page of this brochure supplement.

Philip A. LaMell

Educational Background and Business Experience

Philip A. LaMell was born in 1946. He received a Bachelor of Science in Finance from the University of Illinois in 1968.

Mr. LaMell has served as a Senior Portfolio Manager since January 2009 and has over 40 years experience in the investment field. Prior to joining Stellar, Mr. LaMell served as Vice President and Senior Portfolio Manager for JP Morgan Chase, responsible for their largest and most complex investment management and Trust Relationships from 2005 – 2008. He began his career as a Trust Officer at The First National Bank of Chicago, advancing to Trust Investment Officer at The First National Bank and Trust Company of Barrington, Illinois. He was recruited by Valley National Bank of Arizona (later Bank One) in 1979, to be a Vice President and Senior Portfolio Manager, and later held the positions of Investment Strategist/Marketing Manager, Manager of Investors and Shareholder Relations, and Special Projects Manager developing Valley Capital Management and Sun Eagle Mutual Funds before assuming the responsibilities of Managing Director/Portfolio Management – Western Division. He spent seven years at Merrill Lynch Asset Management as Vice President and Senior Portfolio Manager with responsibilities for Arizona, Colorado and Utah.

Item 3- Disciplinary Information

Mr. LaMell has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Mr. LaMell or Stellar Capital Management, LLC.

Item 4- Other Business Activities

Mr. LaMell is not engaged in any other investment related business, and does not receive compensation in connection with any business activity outside of Stellar Capital Management, LLC.

Item 5- Additional Compensation

Mr. LaMell does not receive economic benefits from any person or entity other than Stellar Capital Management, LLC. in connection with the provision of investment advice to clients.

Item 6 - Supervision

As Managing Member, Mr. Taddie maintains ultimate responsibility for the company's operations. Each Portfolio Manager serves as a member of the Investment Committee which meets regularly to discuss the economy, the markets, and investment decisions. Operational decisions are the responsibility of Stephen J. Taddie and Chief Compliance Officer Sheryl L. Rayner. You may reach either of these individuals directly by calling the telephone number on the front page of this brochure supplement.

Richard D. Stern

Educational Background and Business Experience

Richard D. Stern was born in 1936. He received an Artium Baccalaureatus (A.B.) degree in Psychology from Princeton University in 1958, and a Masters of Business Administration (M.B.A.) from Harvard University in 1962. Mr. Stern received the Chartered Financial Analyst (CFA) designation in 1967. The Chartered Financial Analyst designation is an international professional certification offered by the CFA Institute (formerly AIMR) to financial analysts. To become a CFA charterholder, candidates must pass each of three six-hour exams, and possess a bachelor's degree from an accredited institution (or have equivalent education or work experience). The CFA curriculum includes these topic areas: Ethical and Professional Standards; Quantitative Methods (such as the time value of money and statistical inference); Economics; Financial Reporting and Analysis; Corporate Finance; and Analysis of Investments (stocks, bonds, derivatives, venture capital, real estate, etc.). CFA charterholders are also obligated to adhere to a strict Code of Ethics and Standards governing their professional conduct.

Mr. Stern, a Co-Founder of Stellar Capital Management LLC, served as a Co-Managing Member from the firm's inception through March 31, 2011 and currently serves as a Senior Advisor to the firm. In over 50 years of professional success in the investment field, Mr. Stern was a First Vice President of Newburger, Loeb & Co. in New York City beginning in 1962, mainly as a Supervisory Research Analyst and a Floor Partner; a Senior Vice President and Director of Equity Research at Central Trust Company in Cincinnati; and a Vice President, managing both the bank and trust investments, at Great Western Bank in Phoenix before establishing his own investment firm in 1984 and then co-founding Stellar Capital Management in 2000. He has been published or quoted in *Barron's*, *Medical Economics*, *the Wall Street Transcript*, *The Arizona Republic*, *the Phoenix Business Journal*, *Employee Benefits Journal*, and *Trusts and Estates*. He is profiled in *Who's Who in America*.

Item 3- Disciplinary Information

Mr. Stern has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Mr. Stern or Stellar Capital Management, LLC.

Item 4- Other Business Activities

Mr. Stern is not engaged in any other investment related business, and does not receive compensation in connection with any business activity outside of Stellar Capital Management, LLC.

Item 5- Additional Compensation

Mr. Stern does not receive economic benefits from any person or entity other than Stellar Capital Management, LLC. in connection with the provision of investment advice to clients.

Item 6 - Supervision

As Managing Member, Mr. Taddie maintains ultimate responsibility for the company's operations. Each Portfolio Manager serves as a member of the Investment Committee which meets regularly to discuss the economy, the markets, and investment decisions. Operational decisions are the responsibility of Stephen J. Taddie and Chief Compliance Officer Sheryl L. Rayner. You may reach either of these individuals directly by calling the telephone number on the front page of this brochure supplement.