



North Shore Private Asset Management

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June 30, 2012

This Brochure provides information about the qualifications and business practices of North Shore Private Asset Management ["North Shore" or "Adviser"]. If you have any questions about the contents of this Brochure, please contact Dave Melsheimer, Chief Compliance Officer at 888.375.4918 or info@nsprivate.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

North Shore is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information with which you may determine to hire or retain an Adviser.

Additional information about North Shore also is available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2 – MATERIAL CHANGES

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure - dated June 30, 2012 - is an updated version of the March 31, 2012 document, prepared according to the SEC’s & State of Illinois new requirements and rules.

Material changes since our March 31, 2012 brochure include:

- Switch from SEC to State of Illinois registration, as required by Dodd-Frank legislation, as described in Item 19.
- Additional explanatory information in Item 5 - Fees and Compensation regarding Financial Planning Services
- Additional explanatory information in Item 7 - Types of Clients regarding Financial Planning Services
- Additional explanatory information in Item 5 - Fees and Compensation regarding fees for Strategic Portfolio Management

Currently, our ADV Part 2A Brochure may be requested by contacting Dave Melsheimer, Chief Compliance Officer at 888.375.4918 or info@nsprivate.com, or by visiting our web site www.nsprivate.com and selecting 'About Us'. Additional information about North Shore is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about persons affiliated with Adviser who are registered, or are required to be registered, as investment adviser representatives of North Shore.

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ITEM 4 – ADVISORY BUSINESS

North Shore Private Asset Management, LLC is an Illinois Limited Liability Company. North Shore was founded in 2004 by David H. Melsheimer, CFA.

North Shore provides discretionary and non-discretionary investment management services on a continuous basis. These services are provided on a personalized basis - through either custom or strategic portfolio management - with investment programs designed to reflect the individual client's circumstances. North Shore provides portfolio management services to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations or other business entities, custodians for individuals (including minors), partnerships, individual retirement accounts, and retirement plans for self-employed persons.

Clients may engage the Adviser by signing and executing North Shore's Investment Management and Advisory Services Agreement ("Agreement"). Either the client or North Shore may terminate the agreement upon five (5) days written notice to the other party. Such termination is without penalty to either party.

Clients may choose to retain North Shore as investment adviser with or without granting investment discretion. See Item 16 for further details.

As of March 31, 2012, the Advisor managed \$75,212,163.50 in assets, all on a discretionary basis.

North Shore also offers financial planning analysis and advice to clients. The Adviser guides and assists clients in the collection and analysis of information about their financial and personal circumstances, attitudes, values, and objectives with respect to the enjoyment, management and transfer of wealth; and then describes and illustrates for the client's consideration various techniques and procedures to accomplish those objectives.

The Adviser is wholly owned by David H. Melsheimer, CFA. He is the President and Chief Investment Officer and Compliance Officer of the North Shore. Please see Item 19 - Requirements for State-Registered Advisers, for more information regarding Mr. Melsheimer. Additional information regarding Mr. Melsheimer is also available in North Shore's ADV Brochure Part 2B.

ITEM 5 – FEES AND COMPENSATION

In general, investment management fees are based on assets under management and are negotiable. Financial Planning fees are typically charged on a fixed-fee basis or hourly, as described, below. North Shore Private Asset Management employs the following fee schedule by service type:

Custom Portfolio Management

For Custom Portfolio Management ("CPM"), the annual fee shall vary between 0-2.75% of client assets under management, depending on the market value of the assets under management and the

type of investment management services to be rendered. Custom Portfolio Management provides each client or family with an individual investment strategy, based on personal goals and needs.

Strategic Portfolio Management

With Strategic Portfolio Management ("SPM"), the annual fee shall vary between 0-2.75% of client assets under management, depending on the market value of the assets under management and the type of investment management services to be rendered. Additionally, clients will incur an additional base fee of \$750 per year.

In SPM, the annual base fee of \$750, covers the creation of one Basic Financial Plan ("Basic Plan") per year/per family (Basic Plan described below in Financial Planning) who engage(s) North Shore in Strategic Portfolio Management. The Basic Plan is provided concurrently (bundled) with SPM and clients are charged the additional \$750 per year, as described above. Please see below for more specific information on North Shore's Basic Plan which is bundled with SPM services. Any additional financial planning beyond the preparation of one Basic Plan per year/per family, as described above, will be charged to the client at \$200 per hour. However, the Adviser retains the right to negotiate fees for financial planning services both outside and within SPM. Strategic Portfolio Management provides clients with specifically designed investment strategies based on their financial goals and needs as well as bundled financial planning services (annual Basic Plan).

North Shore's fees for investment management and financial planning are exclusive of brokerage commissions, transaction fees, trade-away fees, custodial fees and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investments and other third parties, such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds may charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Adviser's fee.

With respect to any mutual funds, limited partnerships and other pooled investment products (such as, but not limited to, Exchange Traded Funds, Exchange Traded Notes and Closed-End Funds) held in a client's account, fees payable to North Shore are in addition to the expenses and advisory fees borne by such holdings, including, but not limited to, sales charges, management fees and transaction fees. North Shore's fee could be avoided if the client invested directly in such holdings.

Accounts are typically charged a flat percentage and/or a base fee that is reflective of the fee descriptions above. However, North Shore reserves the right to negotiate fees on a client-by-client basis.

Fees for the investment advisory services listed above are billed, in arrears, on a monthly basis and are based on market value of the assets under management and/or account base fee. The management fee is calculated by applying the annualized fee rate(s) to the weighted average of the market value of the client's account on the last trading day of the each month in the preceding calendar month. The base fee charged in Strategic Portfolio Management is charged, annually, in arrears, after Basic Plan financial planning services has been provided, as described above. The base fee for SPM is charged in addition to the monthly investment management fees that are based

on assets under management. In any partial calendar month, the management fee will be prorated based on the number of days that the account was opened during the quarter. No proration of annual base fees in SPM will be provided. The base fee in SPM is charged, in its entirety, annually, after the appropriate financial planning services have been rendered. North Shore reserves the right to waive certain fees, at its discretion. Fees can be negotiated.

Fees for CPM and SPM are collected in one of two ways, whichever is designated by the client in their Investment Management and Advisory Services Agreement with North Shore:

- The client authorizes the Adviser to deduct from client's account upon the submission of a bill for the management fee for each calendar month. Client instructs the custodian to send client and Adviser a monthly statement showing all amounts paid from the account, including all management fees paid by Custodian to Adviser; OR
- Management fees are billed directly to client (and not deducted from client's account), and client pays fees within 30 days of receipt of invoice.

See Item 12 - Brokerage Practices & Item 15- Custody for additional information on third-party fees, such as brokerage and other transaction fees.

Clients will receive this brochure at least 48 hours prior to signing North Shore's Investment Management and Advisory Services Agreement, or the Agreement may be terminated within five (5) business days of signing the contract without incurring any advisory fees.

Financial Planning

Fees for financial planning services will be based on the level of service provided. Financial planning clients typically provide North Shore with pertinent financial information regarding their personal financial situation. The Adviser then uses some or all of the information provided by the client to create a financial plan. The Adviser may use third-party software to prepare its financial plans. North Shore has two levels of service:

-Basic Plan

The first level of service is the Basic Plan. The Adviser charges an annual fee for a Basic Plan of \$750 per year**. The Basic Plan service provides each client/family one Basic Financial Plan, per year. The Adviser reserves the right to negotiate client fees for the Basic Plan. The Basic Plan provides access to basic financial planning reports to aid individuals in making more informed financial decisions.

** This fee is included as an additional base fee with Strategic Portfolio Management, as mentioned above.

-Advanced Plan

In addition, North Shore also offers an Advanced Plan. The fee for an Advanced Plan is typically negotiated between the client and the Adviser. The hourly fee for the Advanced Plan is \$200 per hour, but the Adviser reserves the right to negotiate client fees for the Advanced Plan. The Advanced Plan provides access to a large number advanced financial planning reports to aid individuals in making more informed financial decisions.

Typically, the Adviser guides and assists clients in the collection and analysis of information about their financial and personal circumstances, attitudes, values, and objectives with respect to the enjoyment, management and transfer of wealth; and then describes and illustrates for the client's

consideration various techniques and procedures to accomplish those objectives. With respect to both the Basic and the Advanced Plan, the Adviser may offer planning services that analyze and/or evaluate retirement issues, personal finance, savings, stock options, insurance and risk management, employee benefits, investment planning and estate issues.

North Shore does require that each client enter into a written and signed Financial Planning Agreement with the Adviser. North Shore reserves the right to decline any new account, or to resign its role in financial planning to any client after the initiation of the financial planning relationship.

Fees for financial planning are collected in one of two ways, whichever is designated by the client in their Financial Planning Agreement with North Shore:

- Annual financial planning fees are billed to the client, charged to the client's credit card or debited from the client's bank account, annually, after services have been provided. The client will select the method of payment by designation in their Financial Planning Agreement with North Shore. Annual Financial Planning fees billed to the client are payable within 30 days of receipt of invoice.***
- Hourly financial planning fees are billed to the client, charged to the client's credit card or debited from the client's bank account, as incurred, monthly, after services have been provided. The client will select the method of payment by designation in their Financial Planning Agreement with North Shore. Hourly Financial Planning fees billed to the client are payable within 30 days of receipt of invoice.***

*** Financial Planning fees charged concurrently with Strategic Portfolio Management as a base fee are deducted directly from the client's investment account managed by North Shore, as described above under Strategic Portfolio Management.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Adviser does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

ITEM 7 – TYPES OF CLIENTS

North Shore provides investment management services to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations or other business entities, custodians for individuals (including minors), partnerships, individual retirement accounts, and retirement plans for self-employed persons.

Except as described below, North Shore generally does not impose specific limitations on establishment and maintenance of client accounts.

For *custom portfolio management*, the Adviser generally requires a minimum relationship size of \$5,000,000 but reserves the right to waive minimum requirements under certain conditions. North Shore does require that each client enter into a written and signed Investment Management and Advisory Services Agreement with the Adviser. North Shore reserves the right to decline any new account, or to resign as adviser to any account after the initiation of the investment advisory relationship. Clients are required to appoint an outside custodian or custodians that provide online services and other support to the Adviser, and also to designate such a permitted broker/dealer. Currently, custom portfolio clients are encouraged to appoint Fidelity, Merrill Lynch , Pershing or Schwab as custodian(s).

For *strategic portfolio management*, the Adviser generally does not require a minimum account size, but reserves the right to impose minimum requirements under certain conditions. North Shore does require that each client enter into a written and signed Discretionary Investment Management and Advisory Services Agreement with the Adviser. North Shore reserves the right to decline any new account, or to resign as adviser to any account after the initiation of the investment advisory relationship. Clients are required to appoint an outside custodian or custodians that provide online services and other support to the Adviser, and also to designate such a permitted broker/dealer. Currently, clients are encouraged to appoint Fidelity, Merrill Lynch, Pershing or Schwab as custodian(s). Clients that hire the Adviser for strategic portfolio management, but do not meet the SEC's requirement for "accredited investors", will be required to sign a "Non-Accredited Investor Disclosure Form" prepared by North Shore. If investors have a question as to whether they qualify as an accredited investor, they can refer to the web-link below from the SEC's website.

<http://www.sec.gov/answers/accred.htm>

For *financial planning*, North Shore generally does not require a minimum net-worth size for financial planning, but reserves the right to impose minimum requirements under certain conditions. North Shore does require that each client enter into a written and signed Financial Planning Agreement with the Adviser. North Shore reserves the right to decline any new account, or to resign its role in financial planning to any client after the initiation of the financial planning relationship.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Investment Management

North Shore uses methods of analysis such as fundamental, technical, charting and cyclical. The information comes from a variety of sources including on-line services, financial publications, third-party research materials, corporate rating services, timing services, annual reports and prospectuses, and company press releases.

The Adviser's investment strategies employ methods such as long-term purchases (securities held at least one year), short-term purchases (securities held less than one year), trading (securities sold within 30 days), short sales (selling securities not owned using margin), margin transactions and options trading including covered options, uncovered options or spreading strategies.

The Adviser may offer advice on exchange-listed securities, securities traded over-the-counter, securities issued by foreign entities, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, variable life insurance, variable annuities, mutual fund shares, United States government securities, option contracts on securities and commodities, futures contracts on tangibles and intangibles, interests in partnerships investing in real estate and oil and gas interests, real estate investment trusts, other pooled investment funds, exchange-traded funds and exchange-traded notes.

The Adviser from time to time may use limited partnerships or limited liability companies that invest in commodities, private placements, or other securities. These vehicles would only be used as part of an overall investment plan.

The supplemental list in Item 20 provides a general guide to investment risks by investment type. This listing is not exhaustive and should be considered only a guide. North Shore encourages all its clients to familiarize themselves with investment risks. More information about securities investing may be found on the SEC website at www.sec.gov/investor/pubs.shtml

ITEM 9 – DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Adviser or the integrity of Adviser's management. Adviser has **not** been the subject of any material disciplinary event, action or proceeding.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

David H. Melsheimer, President of the Adviser, is the owner of an affiliated business offering tax planning and preparation services, North Shore Private Tax Services ("NSPTS"), an Illinois Limited Liability Company. The Adviser and its employees may recommend use of these services. Investment adviser representatives and other employees of North Shore may actively solicit clients and non-clients of North Shore to engage in business with NSPTS. Employees of the Adviser may receive specific compensation for these solicitations. Employees of the Adviser may also be employees of NSPTS, concurrently. Clients of NSPTS may also be actively solicited by investment adviser representatives of North Shore to provide investment advisory or financial planning services. While Mr. Melsheimer is not actively engaged in the tax planning or preparation at NSPTS, he is the sole owner of the business. NSPTS does not act as an investment adviser or broker-dealer.

David H. Melsheimer, President of the Adviser, is the owner of an affiliated business offering data aggregation & reporting services, North Shore Private Data Services ("NSPDS"), an Illinois Limited Liability Company. The Adviser and its employees may recommend use of these services. Investment adviser representatives and other employees of North Shore may actively solicit clients and non-clients of North Shore to engage in business with NSPDS. Employees of the Adviser may receive specific compensation for these solicitations. Employees of the Adviser may also be employees of NSPDS, concurrently. Clients of NSPDS may also be actively solicited by investment adviser representatives of North Shore to provide investment advisory or financial planning services. NSPDS does not act as an investment adviser or broker dealer.

ITEM 11 – CODE OF ETHICS

The Adviser has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of extraordinary or extravagant gifts, and personal securities trading procedures, among other things. All supervised persons at Adviser must acknowledge the terms of the Code of Ethics.

Adviser's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Dave Melsheimer, Chief Compliance Officer. A summary of the Code is below.

Underlying Principles

- We must at all times place the interests of our clients first;
- We must make sure that all personal securities transactions are conducted consistent with the Code and in a manner to avoid conflicts of interest;
- Personnel should not take inappropriate advantage of their positions through receipt of investment opportunities, perquisites or gifts.

General Policies

- Personnel shall not engage in any activity that would negatively impact client holdings;
- Personnel are restricted in personal securities transactions as they relate to investments in securities held by clients (with the exception of exempted securities);
- Personnel must report, at least quarterly, any transactions or holdings that may represent a conflict of interest;
- Personnel are prohibited from serving on the board of directors of any for-profit organization without prior approval from the North Shore Compliance Officer;
- The receipt of extraordinary or extravagant gifts is prohibited;
- Personnel may not be concurrently employed with any investment, banking or financially-related entity without prior written consent from North Shore management.

Privacy

- During and after employment, personnel shall not divulge or appropriate confidential knowledge or information pertaining to the business of North Shore or its clients;
- With the exception of asset custodians, other third-party service providers, and government agencies, personnel may not disclose any customer information at any time during the term of employment.

ITEM 12 – BROKERAGE PRACTICES

Generally, North Shore buys and sells securities for its clients' accounts on a fully discretionary basis, including the choice of brokers and the commission rates at which security transactions are applied. When selecting a broker or dealer, North Shore uses our best judgment to secure the most favorable terms available, considering all relevant factors. These factors may include, but are not limited to:

- Breadth of market for the particular security
- Price of the security
- Size of the transaction
- Activity existing and expected in the market for a particular security
- Execution/clearing/settlement capabilities of the broker or dealer
- Reasonableness of commission at the broker or dealer

The Adviser determines (unless specifically directed otherwise by the client in their Investment Management and Advisory Services Agreement) which broker or dealer will be used. The client should consider whether allowing the Adviser to select the broker or dealer to be used might cause the client to incur certain costs or disadvantages to the client, either because the client may pay higher fees than might be charged by other brokers or dealers, or receive less favorable prices and executions of some transactions, or both.

Research and Soft-Dollar Benefits

The Adviser receives some research and soft-dollar benefits from the brokers or dealers that execute transactions on behalf of the Adviser's clients. The Adviser also receives online services, research, and/or other support from its asset custodians, who may also act as transacting brokers or dealers for the Adviser's clients. This research and other services or support may include, but is not limited to, any of the following:

- Analytical reports on specific companies or industries
- Current and historical statistical information on companies, industries or economic conditions
- Information on federal or state legislative developments
- Information on accounting practices
- Meetings, either in person or electronically, with corporate management, industry experts, economists and other experts
- Meetings, either in person or electronically, with research analysts with expertise in specific companies or industries
- General investment information useful in identifying opportunities and developing investment strategies
- Statistical information useful in evaluating comparative investment performance
- Technical measurement services
- Direct Adviser expenses paid by transacting broker-dealer and/or custodian

The research and other services and support may be paid for indirectly through commissions generated by client trades. This is a long-standing industry practice. The Securities Exchange Act of 1934 established criteria for 'qualified' brokerage and research services.

North Shore has no formal 'soft dollar' arrangements with transacting brokers or custodians which direct a specific amount of trading revenue to pay for specific services provided by transacting brokers or others. However, North Shore plans to receive/ is receiving a specific amount of "client benefit expense" from Schwab, one of North Shore's custodians and broker-dealers. This client benefit expense was not targeted at a specific level of brokerage transactions, rather, was provided as payment of certain direct Adviser expenses incurred during and after the transition to and implementation of Schwab's custodial services platform. The expenses are paid directly to the provider of services; not the Adviser. No cash or other payments are/were made directly to the Adviser by Schwab or any other broker-dealer.

Aggregating Transactions

When appropriate, the purchase or sale of securities is done in aggregate (block trade) for various client accounts. This is done when Adviser determines a certain security should be bought or sold for multiple accounts. These transactions are then allocated to the appropriate account(s) and given an average price across all accounts. In certain circumstances, a trade order might take more than one trading day to fill. In that case, allocations are done on a pro-rata basis, as executed.

Large share or dollar amount transactions have the potential for greater market impact and may require enhanced trading expertise. This may involve a trade-off between higher commission and settlement charges and a higher market impact.

The market for fixed income securities, such as bonds, is inherently less liquid than that for equities. 'Odd lot' (smaller) bond positions may be extremely difficult to sell quickly and/or at levels close to larger lot prices. Bond trading may not be done in aggregate, as these trades are dependent on a variety of factors, including (but not limited to): characteristics of the client bond portfolio, annuity structure, limitations or operational impediments associated with the client's custodian, and/or client liquidity and size of purchase, as mentioned above. By not aggregating bond purchases, this

may cause the client to incur higher commission and settlement charges, and/or less favorable execution prices.

North Shore has limited flexibility to select broker-dealers to execute option transactions for its clients. Some custodial firms require that option purchases be done with their own broker-dealer. The client (and Adviser) is subject to the rules, capabilities, and policies & procedures of either/both the executing broker and the asset custodian. In general, stock option transactions can be difficult to aggregate and certain custodians and/or broker-dealers do not allow option transactions to be aggregated and later allocated to various client accounts. As well, some broker-dealers do not allow option orders to be delivered to another outside broker-dealer and/or custodian. This may cause the client to incur higher commission and settlement charges, and/or less favorable execution prices. These restrictions may preclude the Adviser from obtaining the most favorable price on option transactions for all its clients due to execution timing, execution system differences, and other firm specific rules put in place by executing broker-dealers and/or asset custodians.

When a client opens a new account or an existing client invests new money with North Shore, it may not be possible to aggregate trades. As well, when a client closes an account and requests liquidation of positions or withdraws funds that require sale of securities, it may not be possible to aggregate trades. In these cases, some or all purchases may be transacted, individually. This may cause the client to incur higher commission and settlement charges, and/or less favorable execution prices.

ITEM 13 – REVIEW OF ACCOUNTS

The accounts of each client will be reviewed on no less than a quarterly basis. More frequent reviews will be conducted on all new accounts, or if there is a material change in the amount of assets to be managed, or a significant change in client risk tolerance or objectives. Accounts will be reviewed for appropriateness, taking into account client circumstances, risk tolerance, objectives, and accuracy of execution of transactions. The client is responsible for submitting any information regarding any and/or all changes to their financial situation to the Adviser, in writing. Responsibility for account review will reside with David Melsheimer, the Adviser's President and Chief Investment Officer and Compliance Officer.

All accounts have their assets in the custody of institutions that provide regular (at least quarterly) reports on all transactions and portfolio valuations. North Shore regularly reports to the clients orally and in writing about the investment activity in their accounts, and provides quarterly or more frequent valuations of portfolios to clients through its current institutional custodians, Merrill Lynch, Pershing, Schwab and Fidelity. These valuations list each portfolio security and includes current market value.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

North Shore may compensate persons or firms for client referrals, in compliance with Investment Advisors Act and any applicable state securities laws. The fees paid to referral sources do not affect the fees clients pay to North Shore. In each instance, a written agreement will exist between the Adviser and the referral source. At the time of the referral, prospective advisory clients will receive a copy of this document (ADV Part 2) and a Solicitor's Disclosure Document.

ITEM 15 – CUSTODY

The Client will be responsible for the establishment and maintenance of proper arrangements regarding the custody of the securities and other assets in the Account and the delivery and receipt of such securities and other assets with a qualified custodian. The custodian may charge additional fees for their services, which are in addition to the fees paid to the Adviser for investment management and advisory, or financial planning services. The Adviser does not offset its fees against fees incurred for custodial services or securities transactions executed through a custodian or other broker or dealer.

North Shore may suggest custodians to the client. Currently Fidelity, Merrill Lynch, Pershing or Schwab are suggested to clients of the Adviser. All of these custodians impose additional fees and service charges for providing custodial and other services. All charges and fees are borne by the client. Custodians may also act as brokers or dealers on behalf of clients of North Shore. The client should consider whether allowing the Adviser to select a particular custodian might cause the client to incur certain costs or disadvantages to the client because the client may pay higher custodial and/or other fees and/or commissions than may be charged by other custodians or broker/dealers.

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. The Adviser urges you to carefully review such statements and compare such official custodial records to information that we may provide to you. Our information may vary from the custodial statements based on accounting procedures, reporting dates, valuation methodologies or tax reporting methods of certain securities.

ITEM 16 – INVESTMENT DISCRETION

North Shore accepts full discretionary authority to manage securities on behalf of clients, pursuant to a signed investment management agreement. North Shore's authority to perform actions may be subject to conditions imposed by a statute, a fund offering document, or client investment guidelines.

When selecting securities and determining amounts, Adviser observes particular circumstances, risk tolerance, limitations and restrictions of the clients for which it advises. As discussed in Item 20 - Discretionary Authority, any specific investment guidelines and restrictions must be provided to Adviser in writing and, as discussed in Item 13 - Review of Accounts, the client is responsible for submitting any information regarding any and/or all changes to their financial situation to the Adviser, in writing.

Where a client does not choose to grant to North Shore investment discretion, the Adviser makes investment recommendations to the clients as to which securities are to be purchased or sold, and the amounts to be purchased or sold. Upon approving the recommended transactions, the client may request that the Adviser direct the execution of purchase or sale orders to implement the recommended transactions for the client's account. The Adviser may then have authority to determine the brokers or dealers (or those designated by the client) through which the transactions will be executed, and the commission rates or transaction fees, if any, paid to effect the transactions. As described above with respect to the discretionary accounts, the client may direct certain transactions be effected with specific brokers or dealers.

ITEM 17 - VOTING *CLIENT* SECURITIES

The Adviser will **not** vote, or give any advice about how to vote, proxies for securities held in the Account. If the Account is for a pension or other employee benefit plan governed by ERISA, the client shall direct the Adviser **not** to vote proxies for securities held in the account(s) because the right to vote such proxies has been expressly reserved to a third party of the client's choosing. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Clients will receive proxy voting materials directly from their asset custodian, where appropriate.

ITEM 18 – FINANCIAL INFORMATION

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Adviser's financial condition. The Adviser has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding. Under current regulations, we are not required to provide detailed financial statement information. Additionally, North Shore does not have discretionary authority or custody of client funds or securities, nor are fees pre-paid.

ITEM 19 – REQUIREMENTS FOR STATE REGISTERED ADVISERS

Principal Executive Officer

David H. Melsheimer, CFA, serves as President, Chief Investment Officer and Compliance Officer of North Shore Private Asset Management. Mr. Melsheimer, 44, is a Chartered Financial Analyst ('CFA') and a member of the CFA Institute and the CFA Society of Chicago. Mr. Melsheimer is also an Affiliate Member of the Market Technicians Association. Prior to joining the Adviser, he was employed as the President and Chief Investment Officer of North Star Investment Advisors, LLC from August 2001 to December 2003. Prior to that he was employed as Portfolio Manager for the Northern Trust Company from August 1994 to August 2001, in each case managing individual portfolios for high-net-worth clients and institutional clients. Mr. Melsheimer also worked as a

Portfolio Manager for First Chicago Bank and in various other capacities from May 1991 to August 1994. Mr. Melsheimer received a Bachelor of Arts degree in Economics from the University of Hawaii.

Related Businesses

Mr. Melsheimer has related businesses, which are described in Item 10. Clients of the Adviser may be solicited by these businesses. Please see Item 10 - Other Financial Industry Activities and Affiliations in this brochure and Item 4 - Other Business Activities in ADV Brochure Part 2B, for additional information regarding Mr. Melsheimer's ownership and/or participation in other businesses and/or businesses related to North Shore.

Performance-Based Fees

As described in Item 6 - Performance-Based Fees and Side-by-Side Management, North Shore does not charge performance-based fees.

Disclosures for State-Registered Advisers

State-Registered investment advisers are required to disclose events material to a client's or prospective client's evaluation of supervised persons. No North Shore employee has any required disclosures regarding material disciplinary information or other specific disclosure requirements imposed on State-Registered Advisers. See also Item 7 - Requirements for State Registered Advisers in ADV brochure Part 2B.

Relationships with Issuers of Securities

State-Registered investment advisers are required to describe any relationship or arrangement between North Shore employees and any issuer of securities. No North Shore employee has any direct relationship or arrangement with any issuer of securities. However, some employees of North Shore or their family members may have personal financial/brokerage accounts with issuers of securities such as Merrill Lynch and other well-known firms. As well, North Shore makes the services of Merrill Lynch, Pershing, Charles Schwab, Fidelity, Raymond James/Morgan Keegan, and RBC available to its clients as asset custodians and/or broker/dealers. North Shore has specific agreements with these firms regarding custodial and/or brokerage services. North Shore also transacts in securities, on behalf of its clients through some or all of the firms listed above. All of these firms may be issuers of various securities. The Adviser has no other relationship with the above listed firms outside of what is mentioned above and in other sections of this ADV Brochure Part 2A. See Item 12 - Brokerage Practices & Item 15 - Custody for more information regarding North Shore's relationships with these firms.

ITEM 20 – SUPPLEMENTAL INFORMATION

Trade Error Policy

North Shore shall reimburse accounts for losses resulting from Adviser's trade errors, but shall not credit accounts for errors resulting in market gains. The gains and losses are reconciled within North Shore's accounts at the appropriate custodial firm.

Client Obligations

In performing its services, North Shore shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains the client's responsibility to promptly notify Adviser in writing if there is ever any change in financial situation or investment objectives, so that North Shore may review/evaluate/revise previous recommendations or services.

Privacy / Client Data

Client confidentiality is very important to North Shore. Some confidential client data is supplied to third-party vendors who assist the Adviser with investment management software, portfolio analysis, data aggregation, portfolio management systems, financial planning software, performance measurement and other services. This information is kept confidential by all North Shore's third-party vendors. The Adviser enters into specific agreements with various third-party service providers. As such, client information is protected differently by each service vendor. A copy of the third-party service provider's confidentiality and privacy policies is available upon written request from North Shore's compliance officer.

Website

The Adviser does maintain a website that contains information about our employees and our firm. The web address is: www.nsprivateam.com. Our Form ADV Brochures can also be accessed from our website.

Discretionary Authority

The Adviser usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity, type and amount of securities to be bought or sold. In this case, the client would engage the Adviser by signing and executing North Shore's Agreement (Discretionary Investment Management). Under the terms of the Agreement, the Client authorizes North Shore during the term of the Agreement to provide services on a discretionary basis. North Shore would then supervise and direct the investment of and for the Account without prior consultation with Client, subject, however, to such limitations and restrictions as Client may have imposed, or may hereafter impose, by notice in writing to North Shore. This discretionary authority makes North Shore agent with full power and authority on behalf of the Account (a) to buy, sell (including short sales), exchange, convert and otherwise trade in any and all stocks, bonds, options, mutual funds and other securities and financial instruments as North Shore may select; and (b) to establish and deal through accounts with one or more securities broker-dealers as North Shore may select from those designated by Client pursuant to the Agreement. This discretionary authority shall remain in full force and effect until North Shore receives written notice from the Client of its

termination or until the Adviser receives actual notice of Client's death or adjudged incompetency. In all cases, however, such discretion is to be exercised in a manner consistent with the client circumstances, risk tolerance and objectives.

Where a client chooses to grant investment discretion to North Shore, the Adviser will have authority to supervise and direct the investments of and for the client's account, without prior consultation with the client. Pursuant to this discretionary authority, the Adviser will normally determine which securities are bought and sold for the account, the total amount of purchases and sales, the brokers or dealers (or those designated by the client) through which all transactions will be effected, and the commission rates or transaction fees, if any, paid to effect the transactions. The Adviser's authority may be subject to conditions imposed in writing by the client (e.g., where the client restricts or prohibits purchases of certain types of securities, or directs that certain transactions be effected through specific brokers or dealers).

Broker/Dealer Selection

The Adviser uses its knowledge of negotiated commission rates currently available, as well as the nature of the security being purchased or sold, the size of the transaction, the activity existing and expected in the market for a particular security, confidentiality, the execution/clearing/settlement capabilities of the broker dealer selected, to assess brokerage commissions charged by transacting brokers or dealers.

Recognizing the value of these factors, the Adviser may cause a client to pay a brokerage commission in excess of that which another broker might have charged for effecting the same transaction. Where more than one broker or dealer is believed to be capable of providing a combination of best price and execution with respect to a particular portfolio transaction, the Adviser may select the broker or dealer that provides a higher level of online services and other support to the Adviser. The online services and other support provided by the brokers or dealers may be used by the Adviser in servicing any or all of the clients of the Adviser to different degrees and levels.

North Shore currently uses a number of different broker/dealers to execute transactions on behalf of its clients including, but not limited to: Weeden & Company, Morgan Keegan, Stone & Youngberg, RBC, Merrill Lynch (also acts as an asset custodian), Pershing (also acts as an asset custodian), Fidelity (also acts as an asset custodian) and Schwab (also acts as an asset custodian).

By agreement and direction from the client, transactions may be placed through a designated broker or dealer that the client selects (which also may have been appointed as the client's asset custodian) and that provides online services, research and/or other support to North Shore. North Shore, in turn, may receive substantial benefit from these brokers or dealers in that the online and other support provided by such brokers or dealers relieves the Adviser from having to maintain certain computer software and other back-office and record keeping systems. By directing transactions to certain brokers or dealers, the client should consider whether such a designation may result in certain costs or disadvantages to the client, either because the client may pay higher commissions or transaction fees than may be charged by other brokers or dealers, or receive less favorable prices and executions on some transactions, or both.

When a client has designated relationships with more than one broker or dealer, subject only to a client's direction to use a particular broker or dealer for the execution of transactions or certain

transactions for that client's account, the Adviser's overriding objective in selecting brokers or dealers to effect client transactions is to see the best combination of price and execution. The best price, taking into account brokerage commissions, if any, is an important factor in this decision; however, a number of other judgmental factors also may enter into the decision. These factors include the Adviser's knowledge of negotiated commission rates currently available and other transaction costs; the nature of the security being purchased or sold; the size of the transaction; the desired timing of the transaction; the activity existing and expected in the market for the particular security; confidentiality; the execution, clearing and settlement capabilities of the broker or dealer selected; the Adviser's knowledge of the financial condition of the broker or dealer selected; and the Adviser's knowledge of actual or apparent operational problems of any broker or dealer.

Investment Risks

The list below represents the typical risks involved with the various types of investments. It is not exhaustive and should be considered only a guide. North Shore encourages all its clients to familiarize themselves with investment risks. More information on securities investing may be found on the SEC website: www.sec.gov/investor/pubs.shtml

Investment Type	Risk
<i>Short-Term Bonds / Exchange-Traded Bond Funds (ETF's) / Short-Intermediate Term Bond Mutual Funds / Certificates of Deposit / Demand Notes / Short-Term Notes / Commercial Paper</i>	<ul style="list-style-type: none"> • Chance that bond prices will decrease because of rising interest rates (Interest rate risk) • Chance that income will decline due to falling interest rates (Income risk) • Chance that bond issuer will fail to pay interest and/or principal in a timely manner (Credit/Default risk) • Chance that during periods of falling interest rates, issuer of callable bonds may repay before maturity date (Call risk) • Chance that the purchasing power of savings will decrease due to rising prices (Inflation risk) • Chance that bonds are not able to be sold in a timely fashion (Liquidity Risk)
<i>Long-Term Bonds / Exchange-Traded Bond Funds (ETF's) / Intermediate-Long Term Bond Mutual Funds / Convertible Bonds / Preferred Stocks</i>	<ul style="list-style-type: none"> • Chance that bond prices will decrease because of rising interest rates (Interest rate risk) • Chance that income will decline due to falling interest rates (Income risk) • Chance that during periods of falling interest rates, issuer of callable bonds may repay before maturity date (Call risk) • Chance that issuer will fail to pay interest and/or principal in a timely manner (Credit/Default risk) • Chance that the value of your investments will fluctuate <u>significantly</u> (Volatility Risk) • Chance that the purchasing power of savings will decrease due to rising prices (Inflation risk) • Chance that bonds are not able to be sold or purchased in a timely fashion (Liquidity Risk)

Investment Type	Risk
<i>Money Market Funds</i>	<ul style="list-style-type: none"> • Chance that your investments' value will decrease after purchase (Market risk) • Chance that income will decline due to falling interest rates (Income risk) • Chance that the purchasing power of savings will decrease due to rising prices (Inflation risk) • Chance that bond issuer will fail to pay interest and/or principal in a timely manner (Credit/Default risk)
<i>Common Stock / Exchange-Traded Stock Funds (ETFs)/ Equity Mutual Funds</i>	<ul style="list-style-type: none"> • Chance that your investments' value will decrease <u>substantially</u> after purchase (Market risk) • Chance that the value of your investments will fluctuate <u>significantly</u> (Volatility Risk) • Chance that the purchasing power of savings will decrease due to rising prices (Inflation risk) • Chance that dividend payments will decline and reduce investment income (Income Risk) • Chance that stocks / Exchange-Traded Funds / Equity Mutual Funds are not able to be sold or purchased in a timely fashion (Liquidity Risk)
<i>Margin Transactions</i>	<ul style="list-style-type: none"> • Client can lose more funds than were deposited in the margin account. A decline in the value of securities that are purchased on margin may require additional funds to avoid the forced sale of those securities or other securities in the account(s). • Force the sale of securities in the account(s), if the equity in falls below the maintenance margin requirements. • Chance securities will be sold without contacting client, in the event of a margin call. Even if client has been contacted and provided a specific date by which to meet a margin call, immediate sale of the securities can take place without notice to client. • Client is <u>not entitled</u> to choose which securities in the account(s) are liquidated or sold to meet a margin call • Client is <u>not entitled</u> to an extension of time on a margin call.
<i>Option Purchase</i>	<ul style="list-style-type: none"> • Option holder runs the risk of losing the <u>entire amount</u> paid for the option or more within a relatively short period of time • The more an option is out of the money and the shorter the remaining time to expiration, the greater the risk that the option holder will lose all or part of the investment • The exercise provisions of an option may create certain risks for the option holders • The courts, SEC, OCC, another regulatory agency, or the options markets may impose exercise restrictions

Investment Type	Risk
<i>Option Writing</i>	<ul style="list-style-type: none"> • An option writer may be assigned an exercise at any time during the period that the option is exercisable • The writer of a covered call forgoes the opportunity to benefit from an increase in the value of the underlying interest above the option price, but still bears the risk of a decline in the value of the underlying interest • The writer of an uncovered call is in an extremely risky position and may incur large losses if the value of the underlying interest increases above the exercise price • As with writing uncovered calls, the risk of writing put options is substantial. The writer of a put option bears a risk of loss if the value of the underlying interest declines below the exercise price, and such loss could be substantial if the decline is significant • Risk as an option writer may be reduced with the purchase of other options on the same underlying interest (spread position) or by acquiring other types of hedging positions in the options or other markets • The obligation of a writer of an uncovered call or of a put that is not cash-secured to meet applicable margin requirements creates additional risks, such as significant additional margin payments or liquidation of securities with little or no notice • Since the leverage inherent in an option can cause price changes in the underlying interest to magnify the impact on the price of the option, a writer of an uncovered and unhedged option may have a significantly greater risk than a short seller of the underlying interest • The fact that an option writer may not receive immediate notification of an assignment creates a special risk for uncovered writers of physical delivery call stock options that are exercisable when the underlying security is the subject of a tender offer, exchange offer or similar event • There is a risk that an option writer will be assigned an exercise that is made based on news that is published after the established exercise cut-off time, and that the writer may not have an effective remedy to compensate for the violation of the options market's rules • If a trading market in an options should become unavailable, or if the writers of the option are otherwise unable to engage in closing transactions, the writers of that option would remain obligated until expiration of assignment • A sudden development may cause a sharp upward or downward spike in the value of the interest underlying a capped option

Investment Type	Risk
<i>Other Options Risks</i>	<ul style="list-style-type: none"> • Transactions that involve buying and writing multiple options in combination, or buying or writing options in combination with buying and selling short the underlying interests, present additional risks to investors • If a trading market in particular options were to become unavailable, investors in those options could no longer engage in closing transactions. Even if the market were to remain available, there may be times when options prices will not maintain their customary or anticipated relationships to the prices of the underlying interests and related interests • Disruptions in the markets for underlying interests could result in losses for options investors • All cash-settled options have certain special risks, including foreign currency fluctuation • Holders and writers of capped options bear the risk that an automatic exercise value will be reported erroneously by the official reporting source • The insolvency of a brokerage firm could present risks for that firm's customers, whether they are investors in options or in other securities • Special risks are presented by internationally-traded options, such as time differences and currency fluctuations • There is a risk that the Options Clearing Corporation and its backup system will fail

Investing in securities involves risk of loss that clients should be prepared to bear.