

## **FOURSTAR WEALTH ADVISORS WRAP FEE PROGRAM**

*Sponsored by*

### **FOURSTAR WEALTH ADVISORS, LLC**

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This brochure provides information about the qualifications and business practices of FourStar Wealth Advisors, LLC (hereinafter “FourStar” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at this telephone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

## **Item 2. Material Changes**

In this Item, FourStar is required to discuss any material changes that have been made to the brochure since the last annual amendment. As this brochure has been prepared in connection with the Firm's initial launch, substantially all of the sections contained within this brochure have been revised to reflect its current operations and business practices.

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## Item 4. Advisory Business

The FourStar Wealth Advisors Wrap Fee Program (the “Program”) is an investment advisory program sponsored by FourStar, which started conducting business in June 2014 and is principally owned by Brian Kasal.

FourStar offers a variety of advisory services, which include financial planning, consulting, and investment management services. As this document has been prepared in connection with FourStar’s initial launch, the Firm does not have any assets under management to report as of the date of this filing. While this brochure generally describes the business of FourStar, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on FourStar’s behalf and is subject to the Firm’s supervision or control.

### Description of the Program

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The Program is offered as a wrap fee program, which provides clients with the ability to trade in certain investment products without incurring separate brokerage commissions or transaction charges. Prior to receiving services through the Program, clients are required to enter into a written agreement with FourStar setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”). Clients must also open a new securities brokerage account and complete a new account agreement with RBC Advisor Services, a division of RBC Capital Markets, LLC, Member NYSE/FINRA/SIPC (“RBC”), or Fidelity Institutional Wealth Services (“Fidelity”) or another broker-dealer FourStar approves under the Program (collectively “Financial Institutions”).

At the onset of the relationship, clients complete an investor profile describing their individual investment objectives, liquidity and cash flow needs, time horizon and risk tolerance, as well as any other factors pertinent to their specific financial situations. After an analysis of the relevant information, FourStar assists its clients in developing an appropriate strategy for managing their assets and financial affairs. Under the Program, FourStar manages client portfolios on a discretionary basis by allocating assets in accordance with the investment strategy described at length in Item 6 (below).

### Fees for Participation in the Program

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FourStar generally offers investment management services for an annual fee based on the amount of assets under the Firm’s management. This management fee may vary between 80 and 220 basis points (0.80% – 2.20%)

The annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by FourStar on the last day of the previous billing period.

Where FourStar provides wealth management services which generally include a broad range of comprehensive financial planning and consulting services as well as management of investment portfolios, the Firm may offer these services on a fixed fee basis. Fees will be individually negotiated and may vary based on the scope of services to be rendered.

If assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets may be adjusted to reflect the interim change in portfolio value. For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

Additionally, for asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), FourStar may negotiate a fee rate that differs from the range set forth above.

## **Fee Comparison**

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As referenced above, a portion of the fees paid to FourStar is used to cover the securities brokerage commissions and transactional costs attributed to the management of its clients' portfolios. Services provided through the Program may cost clients more or less than purchasing these services separately. The number of transactions made in clients' accounts, as well as the commissions charged for each transaction, determines the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. The Program Fees may also be higher or lower than fees charged by other sponsors of comparable investment advisory programs. Clients are also advised that due to the nature of the wrap fee arrangement, there may be an incentive for FourStar not to trade in client accounts since trading costs and transactional fees are absorbed directly by the Firm.

## **Fee Discretion**

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FourStar, in its sole discretion, may negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationship, account retention and pro bono activities.

## **Direct Fee Debit**

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Clients generally provide FourStar with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to FourStar.

## **Account Additions and Withdrawals**

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Clients may make additions to and withdrawals from their account at any time, subject to FourStar's right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to FourStar, subject to the usual and customary securities settlement procedures. However, FourStar designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. FourStar may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

## **Other Fees and Charges**

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Clients may incur certain charges imposed by third parties in addition to the Program Fee. These additional charges may include, but are not limited to, charges imposed directly by a mutual fund or exchange-traded fund ("ETF") in the account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, fees associated with alternative assets classes, ticket charges for client-directed trades, odd-lot differentials, transfer taxes, custody fees, wire transfer and electronic fund fees, and other applicable fees and taxes on brokerage accounts and securities transactions. Additionally, for certain held-away assets outside the Firm's management, FourStar may elect to charge an annual fee of 25 - 50 basis points (0.25% - 0.50%) to provide certain administrative and consolidated reporting functions as an accommodation to clients.

## **Compensation for Recommending the Program**

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FourStar has no internal arrangements in place whereby persons recommending the Program are entitled to receive additional compensation as a result of clients' participation. A person recommending the Program will not earn more compensation than he or she would otherwise receive if a client elected another investment management format.

## **Item 5. Account Requirements and Types of Clients**

### **Minimum Annual Management Fee**

FourStar does not impose a stated minimum fee or minimum portfolio value for starting and maintaining an investment management relationship. Certain Independent Managers may, however, impose more restrictive account requirements and billing practices from the Firm. In these instances, FourStar may alter its corresponding account requirements and/or billing practices to accommodate those of the Independent Managers.

### **Types of Clients**

FourStar offers services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

## **Item 6. Portfolio Manager Selection and Evaluation**

### **Financial Planning and Consulting Services**

FourStar offers clients a broad range of financial planning and consulting services, which may include any or all of the following functions:

- Business Planning
- Cash Flow Forecasting
- Trust and Estate Planning
- Financial Reporting
- Investment Consulting
- Retirement Planning
- Charitable Giving
- Distribution Planning
- Tax Planning
- Insurance Planning

While each of these services is available on a stand-alone basis, certain of them may also be rendered in conjunction with investment portfolio management as part of a comprehensive wealth management engagement (described in more detail below).

With regard to Charitable Giving, certain Supervised Persons of the Firm have specific knowledge of structures and procedures regarding tax efficient transfer of assets to heirs and to non profits and other charities. Mr.Kasal holds the designation Chartered Advisor of Philanthropy, specific coursework

sponsored by the American College. Firm may engage clients who are donors to assist in the process as part of and overall financial planning process or a specific donor process.

In performing these services, FourStar is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. FourStar may recommend clients engage the Firm for additional related services, its Supervised Persons in their individual capacities as insurance agents or registered representatives of a broker-dealer and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if clients engage FourStar or its affiliates to provide additional services for compensation. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by FourStar under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising FourStar's recommendations and/or services.

## **Investment and Wealth Management Services**

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FourStar manages client investment portfolios on a discretionary or non-discretionary basis. In addition, FourStar may provide clients with wealth management services which generally include a broad range of comprehensive financial planning and consulting services as well as management of investment portfolios.

FourStar primarily allocates client assets among various mutual funds, exchange-traded funds ("ETFs"), individual debt and equity securities, options and independent investment managers ("Independent Managers") in accordance with their stated investment objectives. In addition, FourStar may also recommend that certain eligible clients invest in privately placed securities, which may include debt, equity and/or interests in pooled investment vehicles (e.g., hedge funds).

Where appropriate, the Firm may also provide advice about any type of legacy position or other investment held in client portfolios. Clients may engage FourStar to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, FourStar directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

FourStar tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. FourStar consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify FourStar if there are changes in their financial situation or if they



wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if FourStar determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

## **Retirement Plan Consulting Services**

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FourStar provides various consulting services to qualified employee benefit plans and their fiduciaries. This suite of institutional services is designed to assist plan sponsors in structuring, managing and optimizing their corporate retirement plans. Each engagement is individually negotiated and customized, and may include any or all of the following services:

- Plan Design and Strategy
- Plan Review and Evaluation
- Executive Planning & Benefits
- Investment Selection
- Plan Fee and Cost Analysis
- Plan Committee Consultation
- Fiduciary and Compliance
- Participant Education

As disclosed in the Advisory Agreement, certain of the foregoing services are provided by FourStar as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). In accordance with ERISA Section 408(b)(2), each plan sponsor is provided with a written description of FourStar's fiduciary status, the specific services to be rendered and all direct and indirect compensation the Firm reasonably expects under the engagement.

## **Side-by-Side Management**

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FourStar does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

## **Selection of Independent Managers**

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As mentioned above, FourStar may select certain Independent Managers to actively manage a portion of its clients' assets. The specific terms and conditions under which a client engages an Independent Manager may be set forth in a separate written agreement with the designated Independent Manager. In addition to this brochure, clients may also receive the written disclosure documents of the respective Independent Managers engaged to manage their assets.

FourStar evaluates a variety of information about Independent Managers, which may include the Independent Managers' public disclosure documents, materials supplied by the Independent Managers themselves and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks

to assess the Independent Managers' investment strategies, past performance and risk results in relation to its clients' individual portfolio allocations and risk exposure. FourStar also takes into consideration each Independent Manager's management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors.

FourStar continues to provide services relative to the discretionary or non-discretionary selection of the Independent Managers. On an ongoing basis, the Firm monitors the performance of those accounts being managed by Independent Managers. FourStar seeks to ensure the Independent Managers' strategies and target allocations remain aligned with its clients' investment objectives and overall best interests.

### **Methods of Analysis and Investment Strategies**

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FourStar utilizes a combination of fundamental and technical methods of analysis.

Fundamental analysis involves an evaluation of the fundamental financial condition and competitive position of a particular fund or issuer. For FourStar, this process typically involves an analysis of an issuer's management team, investment strategies, style drift, past performance, reputation and financial strength in relation to the asset class concentrations and risk exposures of the Firm's model asset allocations. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, evolving market conditions may negatively impact the security.

Technical analysis involves the examination of past market data rather than specific issuer information in determining the recommendations made to clients. Technical analysis may involve the use of mathematical based indicators and charts, such as moving averages and price correlations, to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. A substantial risk in relying upon technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that FourStar will be able to accurately predict such a reoccurrence.

### **Risk of Loss**

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#### *Market Risks*

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly.

#### *Mutual Funds, ETFs and other Investment Companies*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains,

as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

## *Independent Managers*

As stated above, FourStar may select certain Independent Managers to manage a portion of its clients' assets. In these situations, FourStar continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies. In addition, FourStar generally may not have the ability to supervise the Independent Managers on a day-to-day basis.

## **Proxy Voting Procedures**

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FourStar does not accept the authority to vote clients' securities (i.e., proxies) on their behalves. Clients receive proxies directly from the Financial Institutions where their assets are custodied and may contact the Firm using the information on the cover of this brochure with questions about such solicitations.

## **Item 7. Client Information Provided to Portfolio Managers**

Clients participating in the Program generally grant FourStar the authority to discuss certain non-public information with the Independent Managers engaged to manage their accounts. Depending upon the

specific arrangement, the Firm may be authorized to disclose various personal information including, without limitation: names, phone numbers, addresses, social security numbers, tax identification numbers and account numbers. FourStar may also share certain information related to its clients' financial positions and investment objectives in an effort to ensure that the Independent Managers' investment decisions remain aligned with its clients' best interests. This information is communicated on an initial and ongoing basis, or as otherwise necessary to the management of its clients' portfolios.

## **Item 8. Client Contact with Portfolio Managers**

Clients can generally contact the Independent Managers managing their portfolios through FourStar by providing the Firm with written request and identification of the questions or issues to be discussed with the Independent Managers. After receiving the client's written request, FourStar, at its sole discretion, may contact the Independent Managers for the client or arrange for the Independent Managers and the client to communicate directly.

## **Item 9. Additional Information**

### **Disciplinary Information**

FourStar has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management.

### **Licensed Insurance Agents**

Several of the Firm's Supervised Persons are licensed insurance agents and may offer certain insurance products on a fully-disclosed commissionable basis. A conflict of interest exists to the extent that FourStar recommends the purchase of insurance products where its Supervised Persons may be entitled to insurance commissions or other additional compensation. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interest regardless of any such affiliations.

### **Code of Ethics**

FourStar and its associated persons are permitted to buy or sell securities that it also recommends to clients consistent with FourStar's policies and procedures. FourStar has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws (the "Code of Ethics"). In accordance with applicable laws, rules and regulations, its Code of Ethics

contains written policies reasonably designed to prevent the unlawful use of material non-public information by FourStar or any of its associated persons. The Code of Ethics also requires that certain of FourStar's personnel (called "Access Persons") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

Unless specifically permitted in FourStar's Code of Ethics, none of FourStar's Access Persons may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the Access Person) any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of FourStar's clients. When FourStar is purchasing or considering for purchase any security on behalf of a client, no Access Person may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when FourStar is selling or considering the sale of any security on behalf of a client, no Access Person may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact FourStar to request a copy of its Code of Ethics.

### **Account Reviews**

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FourStar monitors client portfolios on a continuous and ongoing basis while regular account reviews are conducted on at least a quarterly basis. Such reviews are conducted by a Principal and/or investment adviser representative of the Firm. All investment advisory clients are encouraged to discuss their needs, goals and objectives with FourStar and to keep the Firm informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services, recommendations and/or to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

### **Account Statements and General Reports**

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Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from FourStar and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or

account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from FourStar or an outside service provider.

## **Client Referrals**

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The Firm does not currently provide compensation to any third-party solicitors for client referrals. In the event a client is introduced to FourStar by either an unaffiliated or an affiliated solicitor, the Firm may pay that solicitor a referral fee in accordance with applicable state securities laws. Unless otherwise disclosed, any such referral fee is paid solely from FourStar's investment management fee and does not result in any additional charge to the client. If the client is introduced to the Firm by an unaffiliated solicitor, the solicitor is required to provide the client with FourStar's written brochure(s) and a copy of a solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement. Any affiliated solicitor of FourStar is required to disclose the nature of his or her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of the Firm's written brochure(s) at the time of the solicitation.

## **Receipt of Economic Benefit**

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FourStar may receive without cost from RBC or other custodians computer software, research and related systems support, which allow FourStar to better monitor and manage client accounts maintained therein. FourStar may receive the software and related support without cost because the Firm renders investment management services to clients that maintain assets at RBC. The software and support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The software and related systems support may benefit FourStar, but not its clients directly. In fulfilling its duties to its clients, FourStar endeavors at all times to put the interests of its clients first. Clients should be aware, however, that FourStar's receipt of economic benefits from a broker/dealer creates a conflict of interest since these benefits may influence the Firm's choice of broker/dealer over another that does not furnish similar software, systems support or services.

There is no direct link between FourStar's participation in RBC's institutional customer program and the investment advice it gives to its clients, although FourStar receives economic benefits through its participation in the program that are typically not available to RBC retail investors. Additionally, FourStar may receive the following benefits from RBC through its registered investment adviser division: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Registered Investment Adviser participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information. The Firm also has the ability deduct advisory fees directly from client accounts; access to an electronic communications network for client order entry and account information; 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 the Firm by third party vendors. TD Ameritrade may fund business consulting and professional services received by FourStar's related persons.

Some of the products and services made available by RBC through the program may benefit FourStar but not its client. These products or services may assist FourStar in managing and administering client accounts, including accounts not maintained at RBC. Other services made available by RBC are intended to help FourStar manage and further develop its business enterprise. The benefits received by FourStar's participation in the program do not depend on the amount of brokerage transactions directed to RBC.

### **Financial Information**

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FourStar is not required to disclose any financial information pursuant to this Item due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.