

Item 1. Cover Page

March 2013
The Northstar Group, Inc.
405 Lexington Avenue, Suite 37A
New York, NY 10174

Item 2. Material Changes

The Northstar Group, Inc. is required to advise you of any material changes to our Firm Brochure (“Brochure”) from our last annual update, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Brochure, and we must provide the date of the last annual update of our Brochure.

Please note that we do not have to provide this information to a client or prospective client who has not received a previous version of our brochure. The date of the last annual update of our Brochure was filed on March 22, 2012. At this time, there are no material changes to report about our Brochure.

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Item 4. Advisory Business

The Northstar Group, Inc. (“we” “us” or “our”) is a privately owned firm whose principals are Henry Asher, President and Linda Ray, Vice President. We offer investment advisory services which include, but may not be limited to the following:

We gather information from our clients that will assist us in offering specific, client-centered advice. This information may include current financial status, age, occupation, investment objectives and estate planning goals. Henry Asher and Linda Ray, our firm’s principals, view the assessment of risk tolerance as vitally important in developing portfolio recommendations. At the same time, we realize that this process is often more art than science. We attempt to communicate this limitation to prospective clients.

We consult with our clients and, if necessary, other client professional advisors such as accountants, attorneys, actuaries and others.

We prepare recommendations for a portfolio management plan for each client, and, in some cases, make recommendations in other areas of financial planning. These recommendations, based upon our decades of experience, may include such diverse decisions as real estate purchases and intergenerational gifting programs.

We attempt to modify client strategies as circumstances warrant. When might such changes be in order? We try to act when we confront a dramatic change in client circumstances, extreme volatility in the general level of securities prices or significant changes in the prospects for specific holdings within client portfolios.

We are not responsible for, nor need consider in its management of a Client's account (unless the client instructs us to do so in writing), any other securities, cash or investments owned by the client.

Our firm’s principals, Henry Asher and Linda Ray, are registered representatives of Royal Alliance Associates, Inc. (Royal), a broker dealer registered with FINRA. In the case of Henry Asher, this affiliation dates back to 1980 and for Linda Ray, 1986. Acting in this capacity (buying and selling securities) for our advisory clients is a significant part of our business activity. It is important to note that none of the fees or commissions generated contributes to our income, nor that of its principals. Leading up to actual transactions, our activities include analysis of markets and specific securities and in many instances, are not separable from the performance of advisory services for us.

We manage \$252,143,930 on a discretionary basis and \$0 on a non-discretionary basis as of December 31, 2012.

Item 5. Fees and Compensation

We charge client accounts a fee based on the value of assets held in each account. We charge these fees for ongoing and continuous investment management and supervisory services, and we maintain all of these accounts Royal or at Charles Schwab & Company with Royal's knowledge and consent. With respect to accounts held at Royal, Royal will charge transaction fees to such accounts, Henry Asher and Linda Ray will not receive any portion of such brokerage commissions or any other charges that arise from trades that we place on behalf of our clients.

We may choose in a small number of cases to work with clients who will be charged a flat fee or hourly, monthly or quarterly fee for financial consulting services. These clients are under no obligation to implement transactions through associates of Royal Alliance Associates, Inc.

Disclosure with respect to Rule 12b-1 fees and certain other fees related to purchases of mutual fund shares:

Our clients and prospective clients should be aware that “no-load” mutual funds as used in the context of this document refer to mutual funds with no front end or deferred sales charge payable to Royal Alliance and the associates of The Northstar Group, Inc. These funds include funds which are popularly referred to as “pure no-load”, in other words they pay no sales commissions or promotional fees of any kind to brokers and advisors. Beyond these funds, we also include in the “no load” category funds that otherwise have such sales charges but are purchased and sold by our clients at net asset value, without an sort of sales charges. Now for the hard part: Sales charges are not the only expense that investors have to pay. They may be the easiest to see, but they are not the whole story.

Both load and no-load mutual funds charge shareholders certain fees and expenses that are separate and apart from any advisory fees charged by us. A complete explanation of such fees charged by mutual funds is contained in each mutual fund’s prospectus. These charges vary widely, and we consider them as important factors in constructing long-term portfolios.

In addition to sales charges for load mutual fund shares, our clients pay certain transaction charges payable to Royal or Charles Schwab & Co. for both load and no-load mutual fund shares. Such fees are separate and apart from advisory fees paid to us. In the case of Royal Alliance’s trading relationship with Pershing, its clearing firm, these charges are most often \$32.50 for purchases and sales of mutual funds. In many client accounts, we utilize systematic purchase programs which do not impose transaction charges. We view these as financially and behaviorally appropriate for many of our clients.

Many load and no-load mutual funds pay annual distribution fees authorized under rule 12b-1 of the Investment Company Act of 1940, as amended ("12b-1fees") Such 12b-1 fees come from mutual fund assets, and thus are indirectly paid out of client assets. Henry Asher and Linda Ray, registered representatives of Royal, have directed Royal Alliance to credit these fees back to each client’s account.

We have no plans to offer seminars in the foreseeable future. However, even if these plans change, fees will be charged for these services.

Fees for initial consultation with a client and the client's other advisors, as well as modifications of a client's portfolio management plan and additional meetings with client's other advisors, are \$500 per hour. Such consultation fees are in addition to, and not credited against, advisory fees charged for ongoing account supervision and management. We attempt to send out bills for these services as soon as practical after the consultation.

We typically charge an annual ongoing and continuous account supervision and management fee based on a percentage of assets under management (an "asset-based fee"). The upper limit of these fees is 1.8% of the first \$100,000 of assets under management and 1.5% on the balance. We, through Royal Alliance and Charles Schwab, bill our clients quarterly, in arrears, based upon quarter-end values. [Quarter-end values will be determined based on market value or fair market value (in the absence of market value), plus any credit balance and minus any debit balance of the client's account during the previous quarter.] When we open an advisory account, each client authorizes the custodian of their account, by signing a form, to deduct their investment advisory fees directly from their account. These fees, based upon their contracts

with us, are paid to us through Royal Alliance's compensation system. These quarterly events are viewed favorably by us and its principals.

There may be a small number of instances where clients will be charged a flat hourly, monthly or quarterly fee for our financial consulting services. We bill those clients directly for these services, since we do not have any discretion or control over their investment portfolios.

In most circumstances, for business reasons, all of the above-mentioned fees may be negotiable.

A client advisory agreement may be terminated by either the client or us at any time, for any reason, upon receipt of five day's written notice by the other party. Upon termination of any account, any earned but unpaid fees will immediately become due and payable. Clients have five business days after signing the advisory agreement to receive a full refund.

Item 6. Performance-Based Fees and Side By Side Management

We do not charge performance fees to our clients.

Item 7. Types of Clients

We have the following types of clients:

- Individuals and High Net Worth Individuals;
- Trusts, Estates or Charitable Organizations;
- Pension and Profit Sharing Plans;
- Corporations, limited liability companies and/or other business types

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

We make use of electronic media, including extensive access to information provided over the Internet. Our firm's principals may be accurately described as voracious readers. The material we read includes but is not limited to, company filings, occasional research reports, multiple newspapers every day, magazines, subscription based newsletters, and news services.

Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

Item 9. Disciplinary Information

We do not have any disciplinary events that would be material to your evaluation of us or the integrity of our management.

Item 10. Other Financial Industry Activities and Affiliations

As registered representatives of Royal, the purchase and sale of securities in commission-based brokerage accounts takes up less than 5% of both Henry Asher's and Linda Ray's time.

Henry Asher and Linda Ray are registered representatives of Royal. In Henry Asher's case, he is also a FINRA registered Principal, and has supervisory responsibility for Linda Ray's activities with respect to FINRA responsibilities.

Item 11. Code of Ethics

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts¹. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

Item 12. Brokerage Practices

We require clients having their account managed for an asset-based fee to maintain such account as a brokerage account at Royal or at Charles Schwab & Co. as previously described in section 1 (D). Royal Alliance executes each trade with respect to the account with the Pershing division of The Bank of New York, acting as custodian and clearing firm. Clients with Qualified plan accounts may choose to utilize Pershing LLC as plan custodian.

¹ For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

As described above, we have important business relationships with Royal. For clients whose accounts are charged asset-based fees, FINRA rules and regulations restrict our choice of broker-dealer and custodian. [FINRA rules and regulations require that Royal maintain records and perform supervision of investment advisory activities of its registered representatives, including Henry Asher and Linda Ray, for which such registered representatives receive asset-based advisory fees.] Such supervisory obligations require Royal to regularly obtain records from the account custodian. The use of Pershing as custodian for asset-based fee accounts is necessary for Royal to perform such obligations. Henry Asher and Linda Ray believe that this association provides tangible and intangible benefits to our clients. The presence of skilled, highly trained compliance and operations professionals contributes to our standards of professional care. Beyond that, it is clear to us that Royal's staff provides our clients a high level of attention that contributes to our operational efficiency.

Henry C. Asher, licensed as a Principal with Royal Alliance Associates, Inc., is responsible for supervising Linda Ray's activities as a registered representative of Royal.

Item 13. Review of Accounts

We must note that the monthly statements do not provide any sort of investment analysis or insight. For instance, there is a common practice in our industry of listing all mutual funds as an asset class. Since some funds might own only small company growth stocks, while others own only short-term government bonds, lumping them together is as descriptive as giving the gift of an "animal" to a friend. It would matter greatly if that animal were a hamster or a rhinoceros. In order to assist our clients in a deeper understanding of how their portfolios are constructed, we provide, upon request and at no additional cost, quarterly reports that include detailed information about the makeup of each portfolio. These reports can also be used to evaluate performance in comparison to external benchmarks. While this last process can be an important tool if used over long periods of time, it is rarely useful over the short term.

Our clients are all treated individually, and in the absence of specific conditions, we do not maintain a strict time-specific policy regarding the portfolio review process. For example, while we welcome client quarterly review meetings in our office, we do not impose this responsibility on any of the individuals, families or company officers among our clients.

Item 14. Client Referrals and Other Compensation

With respect to asset-based fee accounts, Royal will act as paying agent for us and deduct from such accounts, and remit to us, the quarterly advisory fee. Royal Alliance retains a small portion of these fees, currently 3%, as a charge to the investment advisor (not the client) for the functions Royal is required to carry out by FINRA. This fee will not increase execution or brokerage charges to the client or the fee the client has agreed to pay us pursuant to the client's advisory agreement.

Henry Asher and Linda Ray, as registered representatives of Royal, effect transactions for clients whose accounts are maintained at Royal. In accounts where asset-based fees are charged, neither us, Henry Asher or Linda Ray receives compensation for brokerage commissions charged by Royal.

At times the interests of our personal investment accounts correspond with our clients' interests, and then we may do what we suggest that the client does. With respect to our personal investment accounts, we make every attempt to trade in such a way as to give every advantage to our clients before our own interests. Such caution includes placing personal "buy" orders after those of our clients and "sell" orders after theirs as well. We maintain a firm policy that prohibits, in the strongest possible language, the use of "inside", material, non-public information in trading for ourselves and our clients. We believe that a

reasonable assessment of the market reveals that we are too small an advisor and investor to noticeably affect the market in the vast majority of securities in which we invest.

Our clients receive monthly statements of their accounts directly from Royal Alliance. In the smaller number of instances where the investment accounts are maintained at Charles Schwab & Company, Charles Schwab sends out the monthly statements. Clients using either custodian have the choice of statements in either hard copy or electronic form. It is important to note that these statements that contain important information, including a record of all assets held in each account, along with a record of all transactions occurring during the month. These transactions include withdrawals and deposits, dividend and interest payments, and all buys and sells of investment vehicles.

Virtually all of our clients pay fees that are based on the value of the account at the end of each quarter. For those accounts, we require that clients give us the authority to determine, without obtaining the client's prior approval, which securities and the amounts of securities that are purchased and sold. Since neither us nor any of its employees can earn sales commissions in these accounts, we believe that we are free from conflict of interest in making these decisions. If a client wishes to restrict these decisions, we require that these instructions be given to us in writing. When might this be necessary? In some cases, we have had clients who had owned shares in specific companies for many years, and wished to retain those holdings. In other cases, clients have been prohibited from owning specific companies due to restrictions placed by their employers, eg. Accounting and Law firms.

In comparison with industry behemoths, we are a small firm that aspires to deliver a highly responsive advisory service. In order to perform our work effectively, and in accordance with guidelines established by Royal Alliance Associates, we require that our clients who incur asset-based advisory fees use Royal Alliance as a broker, or to maintain their accounts at Charles Schwab & Co. with Royal's knowledge and consent. At this point, and for the foreseeable future, we anticipate that virtually all of our clients will utilize Royal Alliance as broker, with Pershing acting as the clearing firm. We would anticipate that clients will only choose to use Schwab's services in special circumstances including, but certainly not limited to, prior business relationships with Royal Alliance, Pershing or the Bank of New York Mellon (Pershing's parent company) that create conflicts of interest for our clients.

In the rare instances where we might be engaged to provide advice for a flat fee, we suggest but do not require that clients use Royal Alliance as a broker. This suggestion serves several purposes, but the most obvious client benefit is that their accounts are likelier to receive continuous review if they are more easily viewed in the course of our normal operations. At this point, we would ask that the reader of this document turn back to the disclosure we provided earlier in clause 6 of item 1D.

Whenever possible, we require that clients maintain their accounts at Royal Alliance, so long as we can determine that Royal is able to execute transactions (buy and sell) at prices which are not less favorable than prevailing market prices. Since almost all of our equity trades are placed electronically, this process is not within our control, and it we have every reason to believe that Pershing and Schwab have superb capabilities that serve our clients well. Similarly, mutual funds are valued at the end of each trading day, and all buys and sells occur at these prices. That brings us to purchases and sales of bonds. These instruments are often less "liquid" and do not trade on listed exchanges. It is therefore our responsibility

to work on our clients' behalf to secure fair prices in line with recent trade data. In some cases, there might not be reliable recent data, so we must try to determine the intrinsic value for these corporate or municipal bonds. This is yet another instance where the investment process combines art and science.

An important factor that we consider is the reliability of the brokerage and administrative services made available to us for the benefit of its clients, including, without limitation, the ability of Royal to execute transactions and to furnish brokerage and administrative services that enhance all of our advisory accounts and our overall portfolio management and supervisory capabilities. Royal is responsible for sending client and our monthly statements, confirmations and tax reporting information on form 1099.

Another factor that we consider is the commission rate charged (by Pershing and Royal Alliance) for the purchase and sale of securities.

With respect to brokerage transactions for fixed income securities effected on behalf its advisory clients, we effect the trades through Royal Alliance, and clients pay a ticket charge of \$50 for each transaction.

Commission rates on stock and bond transactions conducted through Royal Alliance Associates, Inc. are charged at non-negotiable rates, as per a schedule provided by Royal Alliance, and made available to clients upon request. Our advisory clients with fees billed as percentage of assets currently pay commissions on all equity trades that are comprised of a flat fee of \$25 plus \$.05 per share. Even so, such rates are almost always higher than widely advertised rates from "deep-discount" brokers. In addition, clients should be aware that when Royal Alliance Associates, Inc. effects OTC equity transactions on an agency basis, clients will pay a spread to market makers over and above the commission paid to Royal Alliance. Further, while we make every attempt to secure fair execution of each trade, it would be unwise to assume that we can offer equal execution to firms with large institutional trading departments. It is our belief that any such disadvantage, to the extent they exist, is not material to the long term performance of our clients. When we effect mutual fund transactions for its advisory clients, minimum ticket charges are incurred by clients for those funds where Royal Alliance is acting on an agency basis. There are a small number of mutual funds where such charges are waived, due to business agreements between Royal and the funds.

Business Builder Loan

Royal Alliance Associates, Inc. has provided a Business Builder Loan ("Loan") to Henry Asher, in his capacity as Group Manager for Royal Alliance, to assist in his independent business operations. Royal Alliance has made a loan available to a number of its representatives, including Henry Asher. The terms of the loan require that he repay the Loan's principal by September 30, 2011, plus accrued interest.

The loan agreement offers a special repayment credit and waiver of interest based on our and Mr. Asher's revenues, including commissions and, as the overwhelmingly dominant component, advisory fees received from client accounts. While there could be a perceived conflict of interest, given the size of the loan, ie. approximately one month's current revenues for us, we and our principals do not believe that this capital will affect our objective choice of custodial and clearing relationships for its clients. .

The loan agreement also includes various conditions on Mr. Asher, including that the Loan shall be in default if he does not repay their portion of the Loan at the specified date above. The loan agreement includes provisions for default interest. In the event of an unheeded default under the terms of the loan agreement, Royal Alliance may accelerate the Loan; even under such conditions, such a demand for repayment would not likely result in a material adverse effect on the our ability to perform services for clients.

See disclosures under clauses 6) and 7) of Item 1D. In addition, there are agreements with Royal Alliance whereby principals of we may receive additional compensation from their relationship with Royal Alliance as registered representatives as a result of Royal's inclusion of our investment advisory fee income and 12b-1 fees when determining payout levels. Such additional compensation is not borne by our advisory clients.

We may compensate certain individuals for client referrals. Full disclosure to potential clients including delivery of Part 2 of our Form ADV, will be provided at the time of solicitation pursuant to Rule 206 (4)-3 of the Investment Advisers Act of 1940, as amended.

Item 15. Custody

We do not maintain custody of client assets. However, we have adopted the following safeguarding procedures:

- (1) Our clients must provide us with written authorization permitting direct payment to us of our advisory fees from their account(s) maintained by a custodian who is independent of our firm;
- (2) We must send a statement to our clients showing the amount of our fee, the value of the assets upon which our fee was based, and the specific manner in which our fee was calculated;
- (3) We must disclose to you that it is your responsibility to verify the accuracy of our fee calculation, and that the custodian will not determine whether the fee is properly calculated; and
- (4) Your account custodian must agree to send you a statement, at least quarterly, showing all disbursements from your account, including advisory fees.

Item 16. Investment Discretion

Presently all of our accounts are managed in a discretionary basis. We do not require client's permission before placing a trade.

Item 17. Voting Client Securities

We do not and will not accept the proxy authority to vote client securities.

Item 18. Financial Information

We do not require nor do we solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore we have not included a balance sheet for our most recent fiscal year.

There are no financial conditions that are reasonably likely to impair our ability to meet contractual commitments to clients.

We have not been the subject of a bankruptcy petition at any time during the past ten years.