

Part 2B of Form ADV: Brochure Supplement

Stern Capital Management, Inc.

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Telephone: 732-679-7050
June 22, 2012**

For: Stuart M. Stern
18 Throckmorton Lane
Suite 201
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This brochure supplement provides information about Stuart Stern that supplements the Stern Capital Management, Inc. brochure. You should have received a copy of that brochure. Please contact Stuart M. Stern, President if you did not receive Stern Capital Management Inc.'s brochure or if you have any questions about the contents of this supplement.

Additional information about Stuart M. Stern is available on the SEC's website at **www.adviserinfo.sec.gov**.

Item 2 Educational Background and Business Experience

Stuart M. Stern (Born 1959) is President of Stern Capital Management, Inc. His formal education is as follows:

Fairleigh Dickinson University - B.S. Business Management (Cum Laude)
California State University - Los Angeles M.B.A.

Business Background:

Stern Capital Management, Inc. - President (Firm started in 8/96 as a sole proprietorship and incorporated in 10/99 to Present)

Registered Representative with Comprehensive Asset Management & Servicing, Inc. (12/03 to Present)

Mr. Stuart M. Stern holds the professional designation of a Registered Financial Consultant (RFC). Qualifications for the credential are a minimum of four years experience as a full time practitioner in the field of financial planning, pass written exam, meet local licensing requirements, adhere to the RFC Code of Ethics and complete 40 hours of continuing education every year.

Item 3 Disciplinary Information

Mr. Stuart M. Stern does not have any legal or disciplinary events material to a client's or prospective client's evaluation

Item 4 Other Business Activities

Mr. Stuart M. Stern of Stern Capital Management, Inc. is separately licensed as a registered representative of Comprehensive Asset Management and Servicing, Inc. (CAMAS, Inc.) Mr. Stuart M. Stern, in his separate capacity, can effect securities transactions only in New Jersey for which he will receive separate, yet customary compensation. CAMAS, Inc. is used for non-discretionary investment management services to clients relative to variable life/annuity products that they may own, and/or other products that may not be held by the client's primary custodian and less than 10% of total revenue. All discretionary investment management services (non-commission business) are custodied at Charles Schwab & Company, Inc.

Also, Mr. Stuart M. Stern is an agent for various insurance companies and is able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. Clients, however, are not under any obligation to engage Mr. Stuart M. Stern when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

Clients should be aware that the receipt of additional compensation by Mr. Stuart M. Stern creates a material conflict of interest that may impair his objectivity when making advisory

recommendations. Mr. Stuart M. Stern endeavors at all times to put the interest of his clients first as part of his fiduciary duty as a registered investment adviser's supervised person he takes the following steps to address this conflict:

- he discloses to clients the existence of material conflicts of interest, including the potential for his firm and his employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- he discloses to clients that they are not obligated to purchase recommended investment products from him;
- he collects, maintains and documents accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- Mr. Stuart M. Stern conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- he requires that his employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- he periodically monitors these outside employment activities to verify that any conflicts of interest continue to be properly addressed by his firm; and
- he educates his employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

Item 5 Additional Compensation

Mr. Stuart M. Stern does not receive any economic benefit from someone who is not a client for providing advisory services.

Item 6 Supervision

Mr. Stuart M. Stern is the only employee who provides advice to clients.

Item 7 Requirements for State-Registered Advisers

Mr. Stuart M. Stern has never been found liable for any arbitration claim, civil, self-regulatory organization, nor any administrative hearing involving any investment related business. Mr. Stuart M. Stern has never been the subject of a bankruptcy petition.