

NorthStar Asset Management LLC

Client Brochure

This brochure provides information regarding the qualifications and business practices of NorthStar Asset Management LLC. If you have any questions about the contents of this brochure, please contact us at (908) 850-9991 or by email at: jpaoloni@nstarinvest.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.

Additional information about NorthStar Asset Management LLC is also available on the SEC's website at www.adviserinfo.sec.gov. NorthStar Asset Management LLC's CRD number is: 129112

19 Misty Lane
Andover, New Jersey, 07821
(908) 850-9991
jpaoloni@nstarinvest.com

Registration does not imply a certain level of skill or training.

Version Date: 3/27/2012

Item 2: Material Changes

NorthStar Asset Management LLC has filed an annual updating amendment using the ADV Form 2A. Material changes have been made to the report.

Item 3: Table of Contents

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Item 4: Advisory Business

A. Description of the Advisory Firm

This firm has been in business since January 14, 2004, and the principal owner is John K. Paoloni.

B. Types of Advisory Services

NorthStar Asset Management LLC (hereinafter "NorthStar") offers the following services to advisory clients:

Investment Supervisory Services

NorthStar offers ongoing, non-discretionary portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. It interviews each client and uses a Personal Review Questionnaire to determine the client's current situation (income, tax levels, objectives and risk tolerance levels). NorthStar then constructs a portfolio that matches each client's specific situation. Investment supervisory services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Asset selection
- Regular portfolio monitoring

NorthStar evaluates the current investments of each client with respect to the client's risk tolerance levels and time horizon. The risk tolerance levels are documented in the Personal Review Questionnaire, which aids in the construction of the portfolio. NorthStar also provides investment advisory services for retirement plans that have assets under management with NorthStar.

In addition, NorthStar may provide financial planning, which may include: investment planning, life insurance, tax concerns, retirement planning and college planning.

Services Limited to Specific Types of Investments

NorthStar limits its investment advice and/or money management to stocks, preferred stocks, master limited partnerships, mutual funds, bonds, fixed income, debt securities, ETFs, REITs, insurance products including variable annuities, and government securities. NorthStar may use other securities as well to help diversify a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

NorthStar offers the same suite of services to all of its clients. However, each client's portfolio is constructed based upon the client's current situation (income, tax levels, and risk tolerance levels) and is designed to meet the client's objectives and needs.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent NorthStar from properly servicing the client account, or if the restrictions would require NorthStar to deviate from its standard suite of services, NorthStar reserves the right to end the advisory relationship.

D. Wrap Fee Programs

NorthStar does not participate in any wrap fee programs.

E. Amounts Under Management

NorthStar has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$0.00	\$51,630,000.00	03/26/2012

Item 5: Fees and Compensation

A. Fee Schedule

Investment Supervisory Services Fees

Total Assets Under Management	Annual Fee
Retirement Plan Fees	1.00%
Individually Managed Accounts	1.00%

These fees are negotiable and the final fee schedule is included in the Investment Advisory Contract. Fees are paid quarterly in arrears, and clients may terminate their contracts with thirty days' written notice. Because fees are charged in arrears, no refund policy is necessary. Clients may terminate their accounts without penalty within 5 business days of signing the advisory contract. Clients may terminate their contracts without penalty, for full refund, within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with client written authorization.

Investment Consultation Fees

Fixed Fees

Fixed fees can range between \$200 to \$500, depending upon the complexity of the situation and the needs of the client. Fees are paid in arrears upon completion. Because fees are charged in arrears, no refund is necessary. The fees are negotiable and the final fee schedule will be attached in the Investment Advisory Contract. Clients may terminate their contracts without penalty within five business days of signing the Investment Advisory Contract.

Hourly Fees

The NorthStar hourly fee is \$200. The fees are negotiable and the final fee schedule will be included in the Investment Advisory Contract. Fees are paid in arrears upon completion. Because fees are charged in arrears, no refund is necessary. Clients may terminate their contracts without penalty within five business days of signing the Investment Advisory Contract.

B. Payment of Fees

Payment of Investment Supervisory Fees

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid quarterly in arrears. The client is notified of the advisory fees via monthly statements issued by the custodian.

Advisory fees may also be invoiced and billed directly to the client with payments due within thirty days of receiving the invoice. Clients may select the method in which they are billed.

Payment of Investment Consultation Fees

Hourly fees are paid via check. Because fees are charged in arrears, no refund is necessary.

C. Clients Are Responsible For Third Party Fees

Clients are responsible for the payment of all third party fees (i.e. custodian fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by NorthStar. Please see Item 12 of this brochure regarding broker/custodian.

D. Prepayment of Fees

NorthStar collects its fees in arrears. It does not collect fees in advance.

E. Outside Compensation For the Sale of Securities to Clients

John K. Paoloni in his role as a registered representative with Purshe Kaplan Sterling Investments accepts compensation for the sale of securities to NorthStar clients.

1. This is a Conflict of Interest

If NorthStar and its supervised persons accept commissions for the sale of securities or other investment products (including asset-based sales charges or service fees from the sale of mutual funds) to its clients, it presents a conflict of interest. It gives the supervised persons and NorthStar an incentive to recommend products based on the commissions received rather than on the client's needs. When recommending the sale of securities or investment products for which NorthStar receives commissions, NorthStar will inform the client of the conflict of interest and document it in the client file.

2. Clients Have the Option to Purchase Recommended Products From other Brokers

Clients always have the option to purchase NorthStar recommended products through other brokers or agents that are not affiliated with NorthStar.

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

NorthStar does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7: Types of Clients

NorthStar generally provides investment advice and/or management supervisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit Sharing Plans
- ❖ Trusts, Estates, or Charitable Organizations
- ❖ Corporations or Business Entities

Minimum Account Size

There is an account minimum, \$100,000, which may be waived by the investment advisor, based on the needs of the client and the complexity of the situation.

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

A. Methods of Analysis and Investment Strategies

Methods of Analysis

NorthStar's methods of analysis include charting analysis, fundamental analysis, technical analysis, and cyclical analysis.

Charting analysis involves the use of patterns in performance charts. NorthStar uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Technical analysis involves the analysis of past market data; primarily price and volume.

Cyclical analysis involved the analysis of business cycles to find favorable conditions for buying and/or selling a security.

Investment Strategies

NorthStar uses long term trading, short term trading, short sales, margin transactions, purchase of call /put options and options writing (including covered options, uncovered options, or spreading strategies).

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

Methods of Analysis

Charting analysis strategy involves using and comparing various charts to predict long and short term performance or market trends. The risk involved in solely using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns and 2) if too many investors begin to implement this strategy, it changes the very cycles they are trying to take advantage of.

Investment Strategies

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short term trading, short sales, margin transactions, purchase of calls and puts and option writing generally hold greater risk. Clients should be aware that there is a material risk of loss using any of these strategies.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

NorthStar generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. However, it will utilize short sales, margin transactions, purchases of calls and puts, and options writing. Short sales, margin transactions, purchases of calls and puts, and options writing generally hold greater risk of capital loss and clients should be aware that there is a material risk of loss using any of those strategies.

Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SR) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as Broker/Dealer or Broker/Dealer Representative

John K. Paoloni is a registered representative of Purshe Kaplan Sterling Investments. From time to time, they will offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. NorthStar always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are not obligated to implement the investment strategy through any representative of NorthStar in their capacity as a registered representative.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither NorthStar nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

John K. Paoloni is a licensed insurance agent. From time to time, they will offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. NorthStar always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to implement the investment strategy through any representative of NorthStar in their capacity as an insurance agent.

D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections

NorthStar does not utilize nor select other advisors or third party managers. All assets are managed by NorthStar Asset Management LLC.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. Code of Ethics

NorthStar has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

NorthStar does not recommend that clients buy or sell any security in which a related person to NorthStar has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

It is NorthStar's fiduciary duty to always act in the best interest of the client. From time to time, representatives of NorthStar may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of NorthStar to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. NorthStar will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

It is NorthStar's fiduciary duty to always act in the best interest of the client. From time to time, representatives of NorthStar may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of NorthStar to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. NorthStar will always process the client's transactions before its own when similar securities are being bought or sold.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

The Custodian, Fidelity Brokerage Services LLC., was chosen based on their relatively low transaction fees and access to mutual funds and ETFs. NorthStar will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

1. Research and Other Soft-Dollar Benefits

NorthStar receives research, products and services from its broker-dealer or another third-party in connection with client securities transactions ("soft dollar benefits"). There is no minimum client number or dollar number that NorthStar must meet in order to receive free research from the custodian or broker/dealer. There is no incentive for NorthStar to direct clients to this particular broker-dealer over other broker-dealers who offer the same services. The first consideration when recommending broker/dealers to clients is best execution.

2. Brokerage for Client Referrals

NorthStar receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

NorthStar will not allow clients to direct NorthStar to use a specific broker-dealer to execute transactions. Clients must use NorthStar recommended custodian (broker-dealer). By requiring clients to use our specific custodian, NorthStar may be unable to achieve most favorable execution of client transactions and this may cost clients money over using a lower-cost custodian.

B. Aggregating (Block) Trading for Multiple Client Accounts

NorthStar maintains the ability to block trade purchases across accounts. Block trading may benefit a large group of clients by providing NorthStar the ability to purchase larger blocks resulting in smaller transaction costs to the client. Declining to block trade can cause more expensive trades for clients.

Item 13: Reviews of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

Client accounts are reviewed at least quarterly only by John K. Paoloni, President. John K. Paoloni is the chief advisor and reviews all client accounts with regard to their investment objectives and risk tolerance levels. All accounts at NorthStar are assigned to this reviewer.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations, such as retirement, termination of employment, physical move, or inheritance.

C. Content and Frequency of Regular Reports Provided to Clients

Each client will receive a monthly statement from the custodian, illustrating the positions in the account as well as account activity.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

NorthStar does not receive any economic benefit, directly or indirectly from any third party for advice rendered to NorthStar clients.

B. Compensation to Non - Advisory Personnel for Client Referrals

NorthStar does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Item 15: Custody

NorthStar, through its Investment Advisory Contract, has limited custody of client assets. The Investment Advisory Contract allows NorthStar to deduct only its investment advisory fees. Constructive custody of all client assets and holdings is maintained primarily at Fidelity Investments (National Financial Services). Clients will receive account statements monthly and billing invoices quarterly. All documents should be reviewed carefully for accuracy.

Item 16: Investment Discretion

NorthStar does not have discretion over client accounts at any time.

Item 17: Voting Client Securities (Proxy Voting)

NorthStar will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 18: Financial Information

A. Balance Sheet

NorthStar does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither NorthStar nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

NorthStar has not been the subject of a bankruptcy petition in the last ten years.