

NorthStar Asset Management LLC

Client Brochure

Item 1: Cover Page

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

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

Version Date: 06/26/2012

Item 2: Material Changes

NorthStar Asset Management LLC has filed an updated “other-than-annual” amendment using the ADV Form 2A.

Because of the Dodd-Frank Legislation, NorthStar Asset Management LLC is now required to file with each state in which it conducts business. The brochure has been amended to comply with each state’s regulations.

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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	\$52,000,000.00	03/27/2012

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.

Financial Planning Fees

Fixed Fees

The fee for a written Financial Plan ranges between \$1,000 - \$2,500 on a fixed fee basis, depending on the level and scope of the services rendered. This fee is due upon the return of the signed financial planning engagement letter and includes the written financial plan and a 1-year plan review.

Hourly Fees

Follow-up hourly financial planning consulting fees range between \$150 - \$350, depending on the level and scope of the services required. This fee is due upon the receipt of NorthStar's invoice.

Termination

If, at any time, you are dissatisfied with the financial planning agreement, you may terminate it. If you do so within 5 business days of acceptance, you will receive a full refund. If you terminate after 5 business days of acceptance, you will be charged for services previously rendered. Any remaining balance will be refunded.

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 invoiced. Because fees are charged in arrears, no refund is necessary.

C. Clients Are Responsible For Third Party Fees

Clients will incur brokerage transaction fees for trades executed in their accounts. These transaction charges are separate from NorthStar's investment advisory fees and will be disclosed by the custodian, Fidelity. Clients will also pay the following separately incurred expenses: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses). NorthStar receives no compensation from these charges.

D. Prepayment of Fees

NorthStar collects its Investment Advisory 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. 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 John K Paoloni receives commissions, NorthStar will inform the client of the conflict of interest and document it in the client file.

2. Option to Purchase

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

3. Commission/Compensation

NorthStar's commissionable revenue for the sale of investment products recommended, including asset-based distribution fees from the sale of mutual funds, is less than 50% of its primary compensation.

4. Advisory Fees

NorthStar charges investment advisory fees and does not reduce the advisory fees to offset commissions or mark-ups.

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 in New Jersey; however, he is not licensed to sell insurance to clients in California, Florida, New York, Pennsylvania and Virginia. From time to time, he will offer clients advice and/or products from insurance 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.

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 has an arrangement with Fidelity under which NorthStar receives services which include brokerage, custodial, administrative support, record keeping and related services that are intended to support NorthStar in conducting business and in serving the best interests of its clients. This could produce a conflict of interest, because NorthStar does not have to produce or pay for research, products or services.

- a. As part of this arrangement, Fidelity makes certain research and brokerage services available at no additional cost to NorthStar. These services include research obtained by Fidelity directly from independent research companies. Research products and services provided may include research reports on recommendations or other information about particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services. Without

this arrangement, NorthStar might be compelled to purchase the same or similar services at its own expense.

- b. Because of this arrangement, NorthStar may have an incentive to continue to use Fidelity as custodian. NorthStar examined this potential conflict of interest when it chose to enter into the relationship with Fidelity and it has determined that the relationship is in the best interest of NorthStar's clients and satisfies its clients obligations, including its duty to seek best execution.

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity enables NorthStar to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction fees. Fidelity's commission rates are generally discounted from customary retail commission rates. However, the commission and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers.

- c. Clients may pay a commission to Fidelity that is higher than another qualified broker-dealer. NorthStar determined in good faith that the commission charged is reasonable in relation to the value of the brokerage and research services received. Although NorthStar seeks the best trade execution, the lowest possible cost is not the determining factor. Other factors that must be taken into consideration include: execution capability, commission rates and responsiveness.
- d. Although NorthStar obtains investment research products and services for all of its clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account.
- e. NorthStar does not receive brokerage commissions.
- f. NorthStar does not direct client transactions for soft dollar benefits.

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 receives a written monthly statement produced by the custodian, Fidelity Investments, which are delivered directly by Fidelity to the client via direct mail or email, whichever the client chooses. The statement includes an account summary, income summary, holdings, transaction details and brokerage 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 and should review all documents 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 \$500 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 has any financial conditions that could reasonably impair its 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.

Item 19: Requirements for State-Registered Advisers

A. Education & Business Background

Education

Name: JOHN KEITH PAOLONI

Born: 1953

Education: Montclair State University
1975
BS Business Administration

Experience: NorthStar Asset Management LLC
Principal
01/04 – Present

Purshe Kaplan Sterling
Registered Representative
04/03 – Present

WesCliffe Asset Management, Inc.
Principal
03/00 -12/03

The Concord Equity Group
Registered Representative
01/98 – 04/03

Business Background

John K Paoloni is an investment adviser for NorthStar, and is also a registered representative of Purshe Kaplan Sterling (PKS). PKS is a registered broker dealer and Member FINRA/SIPC. PKS has a fully disclosed clearing arrangement with National Financial Services, LLC (NFS), a Fidelity Investments Company and Member FINRA/SIPIC. Because he accepts 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 his clients, it presents a conflict of interest. It gives him an incentive to recommend products based on commissions received rather than on the client's needs. When recommending the sale of securities or investment products from which he receives commissions, he will inform the client of the conflict of interest and document it in the client file.

John K Paoloni is a licensed insurance agent with various insurance companies. He receives the normal commissions for securities or insurance sales in his role as a registered representative or insurance agent.

B. Business Activities

John K. Paoloni is a licensed insurance agent and spends approximately two (2) hours a week on insurance matters.

C. Advisory Services With Performance Based Fees

As previously state in Item 6, John K. Paoloni does not accept performance-based fees or other fees based on a share of capital gains or capital appreciation of the assets of a client.

D. Reporting of Legal Actions

If NorthStar or John K. Paoloni has been involved in one of the events listed below, it must disclose all material facts regarding the event.

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
 - a) an investment or an investment-related business or activity;
 - b) fraud, false statement(s), or omissions;
 - c) theft, embezzlement, or other wrongful taking of property;
 - d) bribery, forgery, counterfeiting, or extortion; or
 - e) dishonest, unfair, or unethical practices.

NorthStar has no disclosures

2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
 - a) an investment or an investment-related business or activity;
 - b) fraud, false statement(s), or omissions;
 - c) theft, embezzlement, or other wrongful taking of property;
 - d) bribery, forgery, counterfeiting, or extortion; or
 - e) dishonest, unfair, or unethical practices.

NorthStar has no disclosures

E. Relationships /Arrangements / Affiliations

NorthStar has no other additional relationships, arrangements or affiliations other than those previously described in Item 10.C. of Part 2A.