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## ***ADV Part2 Schedule A***

Effective: *March 4, 2024*

### **DISCLAIMER:**

This Brochure provides information about the qualifications and business practices of Northstar Financial Companies, Inc. (hereafter “Northstar”). If you have any questions about the contents of this Brochure, please contact us at 800-220-2161 or at [www.nstarfinco.com](http://www.nstarfinco.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 our firm is available on the SEC’s website at [www.adviser.info.sec.gov](http://www.adviser.info.sec.gov) (the CRD number for Northstar is 119396).

**NOTE:** Please be aware that registration with the SEC does not imply a certain level of skill or training of any firm.



## MATERIAL CHANGES:

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Generally, Northstar Financial Companies, Inc. (hereafter "Northstar") will notify clients of material changes on an annual basis. However, where we determine that an interim notification is either meaningful or required, we will notify our clients promptly. In either case, we will notify our clients in a separate document.

Since the filing of our last annual updating amendment, dated March 24, 2023, we have the following material change to report:

### Under Item 5 – FEES AND COMPENSATION

Flat fees were changed to reflect highest minimum, rather than a band and if you choose only Financial Planning services, the hourly rate is now \$300 for both Principal advisors and staff (the Staff rate of \$180/hour was removed).

### Under Item 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

The five model strategies on offer have changed to reflect a new allocation.

Global Growth -	50% - 100% maximum equity exposure
Capital Appreciation -	50% - 100% maximum equity exposure
Balanced -	50% - 100% maximum equity exposure
Income -	0% – 100% maximum equity exposure
Fixed Income -	0% – 100% fixed income exposure

### Under Item 12 – BROKERAGE PRACTICES

TD Ameritrade has been removed as a recommended custodian.

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## ADVISORY BUSINESS:

Northstar Financial Companies, Inc. is a fee-based investment adviser offering comprehensive Financial Planning and Investment Management services since 1995. Steven B. Girard is the founder and principal owner of Northstar and serves as the Chief Executive Officer.

Glenn A. Williams is the President of our affiliate firm A.H. Williams & Company Inc. (hereafter AHWCO, discussed in more detail under [OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS](#), below) and has a minority equity interest in Northstar.

Julia Randall is the Chief Compliance Officer for both Northstar Financial Companies, Inc., and A.H. Williams & Company Inc.

### *Initial Consultation*

Prior to rendering any service, Northstar offers an Initial Consultation to discuss your situation, goals, and concerns. As a potential client, you will receive questionnaires designed to clarify your planning needs, as well as screen for investment risk tolerances, in preparation for consultation. You may also receive an analysis of current investments as a part of your consultation. The consultation and any analysis presented are free and there is no obligation to proceed with any of our services upon completion.

### *Financial Planning*

Northstar offers Financial Planning services, which begin with the Strategic Plan, which is customized to your goals and includes, at a minimum, a family net worth statement, an investment portfolio analysis, and illustrations of needs/risks.

The Strategic Plan forms the basis for our recommendations, as well as any ongoing services. There is no obligation for you to proceed with any service offering upon delivery of a Strategic Plan, and you may choose to implement the Strategic Plan, or any part thereof, through any other financial professional.

Financial Planning services are designed to help you relate the management of money to the achievement of goals. Depending upon your needs, this type of service may include, but is not limited to; tax planning, estate planning, business planning, protection and insurance planning, retirement planning, education funding, cash flow, and/or employee benefits analysis.

You may retain Northstar to address a specific issue(s) or evaluate a specific investment via a limited Financial Planning agreement alongside a separate investment services agreement, or you may engage Northstar for comprehensive planning and investment services, which is a long-term engagement providing full, ongoing financial planning and participation in our Asset Management Program.

## *Investment Management*

Northstar offers Investment Management services for a single, annual fee based on the value of the assets in your account. Northstar's Asset Management Program is a wrap-fee program.

Services under our wrap-fee Asset Management Program include;

- comprehensive, ongoing financial planning including, but not limited to, retirement, education funding, insurance, executive/employee benefit analysis, business succession, estate, and gift planning. and tax planning
- Investment Management services including, but not limited to, consulting, portfolio construction and monitoring, investment manager due diligence and research, ongoing asset allocation and rebalancing, reporting and quarterly analysis. The wrap fee covers the cost of any transactions that may be executed.

Please see our Wrap Program Brochure (ADV Part 2A Appendix 1) for more information about the wrap-fee program.

Northstar also offers current clients model investment strategies outside of our wrap-fee program which utilize primarily exchange-listed equities and exchange-traded funds and are designed to provide varying degrees of return and risk.

Recommendations/trades for all of our investment strategies may involve exchange listed stocks, mutual funds, exchange-traded funds, stock options, municipal or Government securities, corporate debt, partnership interests and warrants. In rare instances, Northstar may recommend investment in private placement offerings. You may impose restrictions as to the types of investments/securities held in your accounts.

Northstar may also recommend placing some or all of your assets with a sub-adviser on a discretionary basis. This may include a recommendation to place assets with AHWCO, our affiliated adviser, when a municipal bond trading strategy is deemed appropriate. Northstar will review the use of any sub-advisers with you and, if you agree, formally open a separate account for this purpose.

You are not obligated to use AHWCO as a sub-adviser for municipal bond trading, and Northstar will recommend other managers or funds for this strategy, which may have costs that are more or less than AHWCO and for which performance may be better or worse. Recommending AHWCO for municipal bond trading represents a conflict of interest because AHWCO is a wholly owned subsidiary of Northstar and both firms will benefit. Northstar addresses this by disclosing this conflict in advance of opening a sub-advised account and keeping your fees the same regardless of manager affiliation.

If you elect Investment Management services you may provide Northstar with written authorization to deduct fees directly from your investment accounts (discussed in detail under

[FEES AND COMPENSATION](#), below). Northstar will include sub-advised accounts in calculating the advisory fees paid and sub-advisers will be paid a portion of those account fees, pro-rata, in accordance with the sub-advisor agreement.

You may also grant us limited trading authority which will allow us to enter securities transactions on your behalf, determining which securities and the amount to buy or sell. Most of our Investment Management services are rendered on this kind of discretionary basis and, as of December 31, 2023, we had approximately \$280,900,000 of assets under management in discretionary accounts.

Non-discretionary Investment Management services are also available. As of December 31, 2023, Northstar had approximately \$3,700,000 of assets under management in non-discretionary accounts. For these accounts, we will prepare recommendations as we do for our discretionary accounts but will send them to you for execution.

You may request that Northstar execute transactions that are recommended on your behalf in any non-discretionary account by providing specific instructions in writing or by telephone prior to each transaction. Note that this may delay the purchase or sale of securities, and in the case of price sensitive securities or an inactive market, may cause a recommendation to go unimplemented.

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interests ahead of yours.

Under this special rule's provisions, we must:

- ◆ Meet a professional standard of care when making investment recommendations (give prudent advice);
- ◆ Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- ◆ Avoid misleading statements about conflicts of interest, fees, and investments;
- ◆ Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- ◆ Charge no more than is reasonable for our services; and
- ◆ Give you basic information about conflicts of interest.

The Advisory representatives of Northstar may also be licensed as independent insurance agents. Implementation of recommendations for insurance products through these individuals will result in them receiving commission compensation. You are not obligated to purchase any insurance products through these individuals in these separate capacities, and you may choose

to effect transactions through other insurance agents or brokers. This is a conflict of interest in that these individuals have an incentive to recommend insurance products to advisory clients.

To mitigate this conflict as much as possible, all Advisors and associated persons at Northstar earn a salary that is not contingent on the level of insurance commissions or advisory fees generated. Bonus compensation, however, may be paid based on annual revenue growth, profitability, and client retention rates.

We also train our associated persons to choose strategies and products based not just on your needs and goals, but also on the tax/cost efficiency of the strategy or product recommended. Comparative information about different strategies and products – including cost, if applicable – is presented to you prior to implementing a strategy or effecting a transaction.

## FEES AND COMPENSATION:

All fees are subject to negotiation and all agreements may be cancelled within the first five business days of the agreement with a full refund of any pre-paid fees. After five business days, either party may terminate agreements for ongoing services with 30 days written notice.

Fees are negotiable and are not based on a share of capital gains upon or capital appreciation of the funds or any portion of the funds. Fees may vary from client-to-client, and your specific fee schedule will be included in your Agreement for service. Existing clients may have different service agreements / fee schedules than are currently being offered.

Fees are based on the value of your total managed portfolio, or per account size. This will include any assets managed by a sub-adviser in a separate account, including accounts sub-advised by our affiliate AHWCO. Fees collected by Northstar within a sub-advised account will be split with the relevant sub-adviser as compensation for management services in accordance with the sub-adviser agreement, a copy of which will be provided upon request.

Fees for Investment Management may be a flat fee. The highest annual fee we will charge is 1.25% of managed assets. Fees may also be tiered in accordance with the outline below.

### BASIC FEE TIERS

FROM	TO	<u>MAXIMUM FEE TIER</u>
\$0	\$1,000,000	1.25%
\$1,000,001	\$1,500,000	.75%
\$1,500,001	and higher	.50%

Northstar will generally bill Investment Management fees in advance on a quarterly basis. You may elect to be billed directly or, with written authorization to your custodian, allow Northstar to automatically deduct fees from your accounts. You should verify the accuracy of all fees paid by reviewing your custodian's statements.

Investment Management fees shall not be prorated for capital contributions or withdrawals made during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged/refunded a prorated fee, (refunds will cover the unused portion of any prepaid advisory fee, from the date we receive your written notice to terminate to the end of the quarterly period).

If you choose only Financial Planning services, fees are billed directly to you, on either an ongoing or limited basis, at an hourly rate of \$300. All hourly fees are billed upon delivery of services and are due within 30 days of invoice. Billing hours accrue in 15-minute increments. Upon termination, any earned, unpaid fees will be due and payable.

Investment Management and/or Financial Planning fees outside of our wrap-fee program do not cover custody and security execution fees, which may be charged by your account Custodian, or transaction-related fees that may be charged by a Broker, such as deferred sales charges, odd-lot, differentials, transfer taxes, wire transfer and electronic fund fees. Please see the [BROKERAGE PRACTICES](#) (page 11) for more information.

You are also responsible for any investment product expenses in addition to Investment Management or Financial Planning fees, such as internal fees charged by mutual funds or money market funds, exchange-traded securities and REITs or LPs. Specific charges are disclosed in each product's prospectus, and generally are used to pay management as well as administration and distribution costs for that fund/security.

You may negotiate to exclude a specific asset from fee billing.

## PERFORMANCE BASED FEES & SIDE BY SIDE MANAGEMENT:

Compensation for the firm or any Advisory representative is never based on a share of the capital gains upon, or capital appreciation of, the funds in any account.

## TYPES OF CLIENTS:

### *Individuals*

The majority of our clients are goal-oriented individuals who seek comprehensive planning and investment advice. Most of our clients' financial situations are diverse but usually somewhat complex and require a comprehensive plan to deal with issues such as options strategies, gifting strategies, business succession planning, estate planning, and tax-aware investing.



Our Financial Planning service is suited to executives, professionals and small business owners, or people who are financially independent and who draw an income from investment assets. Financial Planning services can be provided regardless of account size or management.

Our Investment Management options are ideal for individuals who want active Investment Management and monitoring without having to monitor the market themselves. The minimum investment for individuals in our Asset Management Program is \$ 10,000 and the minimum for our model strategies is \$250,000.

### *Trusts & Foundations*

Northstar may also provide Asset Management services to Charitable Trusts, Foundations and Endowments established by existing clients as a separate service. The minimum investment for organizations/entities seeking this service is \$25,000.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS:**

Northstar's overall management philosophy is goals-based. Investment strategies utilized will reflect your needs and goals and will differ from strategies used for different clients. Strategies may include short as well as long-term purchases of equities, debt instruments, mutual funds, and options. If you have a low risk tolerance, or if capital preservation is a primary objective, emphasis will be on more passive, fixed-income strategies. For more aggressive or growth-oriented objectives, strategies will generally be more active and equity-based.

Active investment strategies may carry more risk than passive strategies due to a greater frequency of transactions, which may involve additional costs such as transaction or exchange fees and taxes. Strategies involving options carry additional risk, as losses incurred may exceed losses on the underlying stock and covered calls may make the underlying equity illiquid for the duration of the contract.

**NOTE: Investing in securities involves risk of loss, which you should be prepared to bear. There is no guarantee that you will be able to meet your investment goals.**

For Financial Planning services, we will analyze your goals and financial condition, including income and spending, savings and investments, and insurance/protection needs. This analysis is a pre-requisite to comprehensive Planning. We also evaluate the impact of any existing or proposed plans and strategies on estate plans and taxation.

For Investment Management services, our primary method of analysis is fundamental. Fundamental analysis is applied to equities to determine fair value of a stock and some exchange-traded funds by evaluating earnings, price and dividends paid, as well as key information from a company's balance sheet, income statement and overall financial condition.

As applied to debt securities, credit history, duration and yield are all evaluated. Fundamental, fair value analysis may be applied to individual companies or industry sectors.

For mutual funds, which represent our typical investment and form the bulk of our client portfolios, fundamental analysis involves the evaluation of the fund manager against a specific set of criteria such as manager experience, methodology and personal investment (does the manager invest in their own fund). Additionally, we measure overall cost and past performance relative to a peer group of similar managers. We will also evaluate and monitor Modern Portfolio Theory statistics such as Beta (risk) Alpha (reward) and Standard Deviation (volatility).

For accounts within our model strategies, we use both fundamental and technical analysis within a ranking system that scores various characteristics of stocks and exchange-traded funds. This “scorecard” is updated weekly and reviewed for both current characteristics as well as positive or negative changes over time. These are actively traded strategies with potentially shorter holding periods, as deteriorating scores may become the impetus for liquidating positions within the model and replacing them with securities that score higher within the system.

The five model strategies currently on offer are:

Global Growth -	50% - 100% maximum equity exposure
Capital Appreciation -	50% - 100% maximum equity exposure
Balanced -	50% - 100% maximum equity exposure
Income -	0% – 100% maximum equity exposure
Fixed Income -	0% – 100% fixed income exposure

Despite our analyses and research, investment decisions made by Northstar’s Advisory representatives are subject to various market, currency, economic, political, and business risks, such as

- *Interest-rate Risk:* Fixed income securities are subject to interest rate risk because the prices of fixed income securities tend to move in the opposite direction of interest rates. When interest rates rise, fixed income security prices fall. When interest rates fall, fixed income security prices rise. In general, fixed income securities with longer maturities are more sensitive to changes in interest rates. In addition, falling interest rates may cause a portfolio’s income to decline.
- *Market Risk:* The price of a security, bond or mutual fund, or exchange-traded fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security’s underlying circumstances
- *Inflation Risk:* When an inflationary economic environment exists, a dollar in the future does not buy as much as a dollar today will buy. This negatively impacts people on fixed incomes.
- *Currency Risk:* Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment’s originating country.

- *Reinvestment Risk*: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return. This primarily relates to fixed income securities.
- *Liquidity Risk*: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product.
- *Business Risk*: These risks are associated with an industry or a particular company within an industry.
- *Financial Risk*: Excessive borrowing to finance the operations of a business increases risk because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Due to the variety of risks which the typical investor may face, it is crucial that you understand that our Advisory representatives' investment decisions will not always be profitable. As such, Northstar does not guarantee the future performance of an account or any specific level of performance, the success of any investment decision or strategy that we may use, or the success of our overall management.

## DISCIPLINARY INFORMATION:

In March of 2015, Northstar Financial Companies, Inc. reported to the State of Florida's Office of Financial Regulation that the firm had been providing financial advice to more clients in the state than the current de minimis of five (5). As such, we self-reported our own violation of Florida regulatory statute, at which time the state opened administrative proceedings against our firm. We worked with the state to disclose all relevant information and, upon paying a fine of \$13,000, Northstar became registered as an advisor in the State of Florida in 2016.

We have subsequently retained the services of an independent Compliance Consultant/attorney to assist in developing policies to prevent such violations from occurring in the future.

## OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS:

### *A.H. Williams & Company Inc.*

Northstar Financial Companies Inc. owns A. H. Williams & Company, Inc., (AHWCO) an independently Registered Investment Adviser specializing in managing municipal bonds in a series of Separately Managed Accounts. Some of the shareholders of Northstar serve as officers and perform advisory functions for AHWCO.

AHWCO offers a Separately Managed Account investment program and may provide current Northstar clients with management for a portion of their fixed income allocation under a Sub-Advisor Agreement. Current clients participating in all AHWCO service offerings will receive a copy of Northstar's Sub-Advisory Agreement and all client fees will remain the same regardless of management strategy. Nevertheless, a conflict of interest exists in that other, similar programs may be available to clients through non-affiliated channels that may cost more or less than what AHWCO is offering.

### *Investment Adviser Representative Activities.*

Some of Northstar's Advisory representatives are also independent insurance agents and work with various insurance companies whose products they may be licensed to sell. As such, our Advisory representatives may recommend insurance products and, as agent, sell the products they recommend to you. A conflict of interest exists as there will be compensation for these transactions, which creates an incentive to recommend those products.

You are not obligated to utilize AHWCO Separately Managed Account programs for municipal income exposure, or to purchase insurance products through Northstar's Advisory representatives in this separate capacity.

## CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING:

Northstar has a Code of Ethics that reflects the fiduciary principles that govern our conduct, highlights the importance of trust and communication as the foundations of our relationship and establishes policies and procedures to ensure that Northstar and all its associated persons place your best interests above all else.

The Code of Ethics also requires Northstar and its associated persons to follow industry "best practices" involving the handling of confidential information, insider trading, personal trading on the part of the Adviser or its representatives and the disclosure of conflicts of interest, among other things. All associates at Northstar must acknowledge the terms of the Code of Ethics annually, or as amended. A copy of our Code of Ethics is available upon request.

### *Participation or Interest in Client Transactions And Personal Trading*

While Northstar Financial Companies Inc. does not execute principal trades (trades from our own account to yours) and has no proprietary interest in your transactions, our associated persons may have a financial interest in recommended transactions that involve the purchase

of insurance. As explained in [OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS](#), Advisory representatives are independent licensees of various insurance companies.

As such, recommended insurance may also be sold to you through our Advisory representatives' separate licenses. When this happens a conflict of interest exists, as he/she will be compensated based on these transactions, which may create an incentive to recommend those products. Northstar requires that all Advisory representatives disclose this conflict of interest when such recommendations are made, and that you may purchase the recommended products through other agents not associated with Northstar if you wish.

Additionally, associated persons may from time to time buy or sell securities for themselves that are also recommended to you. This represents a potential conflict of interest, as we may benefit from an increase in price due to subsequent purchases by you.

To address this potential conflict, Northstar requires that all transactions made on behalf of its associated persons are recorded, and that any similar trades for clients are placed ahead of Northstar or its representatives. Northstar's Principal will review these trades quarterly to ensure your interests are given the utmost priority and importance. Additionally, all associated persons are prohibited from participating in any Initial Public Offering or trading any public company for which we may have an *Insider* client, as well as any private placement or other illiquid offerings that are made to you.

## BROKERAGE PRACTICES:

Northstar currently recommends Charles Schwab and Company, Inc. (hereafter "Schwab") as the custodian for Asset Management accounts.

You have no obligation to use any recommended custodian. Non-discretionary management is possible for accounts held at any broker-dealer/custodian, so long as you authorize Northstar to have 3<sup>rd</sup> party access to your account information and agree to execute any recommendations yourself.

### *Research and Other Soft-Dollar Benefits*

Schwab provides Northstar with products and services that may only indirectly benefit your accounts. These include software and other technology that provide access to Client account data (such as trade confirmation and account statements); facilitate trade execution; provide research on securities (primarily stocks and bonds), pricing information and other market data; facilitate payment of our fees from your accounts; and assist with back-office functions such as recordkeeping and reporting. Most of these services are used to service all or a substantial number of Northstar's client accounts, regardless of whether they are subject to fees as part of our Asset Management service.

## *Directed Brokerage and Aggregated Orders*

Brokerage may be allocated to other firms from time to time on the basis of special execution capabilities or the ability to obtain superior net price. The value of products, research or services provided by brokers is not currently a factor in brokerage allocation for any client utilizing Asset Management services.

Northstar will review alternative custodians in the marketplace annually, to ensure current custodians are meeting Northstar's duty to provide best execution for your accounts. The review will include an evaluation of criteria such as quality of execution, overall expertise, cost competitiveness and financial condition.

We may make the same recommendation for other clients that are similarly situated to you, but we generally only aggregate trades associated with rebalancing or changing a security across a wide number of client portfolios. Most assets we manage are mutual funds, which trade at the closing NAV regardless of the order or manner in which trades are placed. In the case of securities with an inactive market or private placements, orders will be executed on a "first-come, first-serve" basis and Northstar cannot guarantee that your order will be filled.

## REVIEW OF ACCOUNTS:

Account holdings for clients are monitored on a regular and continuous basis by our advisers and investment committee. You will receive a report and analysis of your entire portfolio at the beginning of each calendar quarter, including accounts that are not managed by Northstar (with your permission and assistance). We will rebalance/recommend adjustments to your holdings at this time, but we will also schedule a full review of accounts at least annually to ensure your portfolios still match your stated goals and risk tolerances.

Additionally, the investment committee will review recommended holdings on a firm-wide basis. Investment committee members run regular analyses against predetermined criteria for a core stable of recommended securities, and meet on an inter-quarter basis to review the analysis and update criteria as needed.

## CLIENT REFERRALS AND OTHER COMPENSATION:

As noted above, Northstar is a Soliciting advisor for A.H. Williams & Company Inc. (AHWCO) for bond portfolio management programs, and, as the parent company of AHWCO, Northstar will receive a portion of the fees generated from those Separately Managed Accounts in accordance with our Solicitors Agreement with AHWCO.

AHWCO may refer clients to Northstar when consistent with the best interests of the client. No compensation will be paid by Northstar for these referrals, but Glenn A. Williams, the President of AHWCO, is also a shareholder of Northstar and so will indirectly benefit from these referrals.

Northstar Financial Companies Inc. currently does not, directly or indirectly, pay compensation for referrals or solicitation of Advisory clients.

## CUSTODY:

You will engage an independent broker-dealer and custodian to maintain your accounts, so Northstar will not have physical custody of your assets, monies, or securities. However, since you may authorize us to withdraw advisory fees directly from your accounts (as described in [FEES AND COMPENSATION](#)), Northstar is considered to have custody in a limited capacity.

Since Northstar's custody is due solely to the direct withdrawal of fees, it does not entail all of the same legal and regulatory requirements as an investment adviser with physical custody of your assets, monies, or securities. Accordingly, though we will send quarterly performance analyses and account summaries, you should only expect regular account statements from your broker-dealer or custodian.

## INVESTMENT DISCRETION:

Northstar will have investment discretion only if you choose our discretionary Asset Management Program (as described in [ADVISORY BUSINESS](#)). In this case, discretion pertains to the authority to determine the securities to be purchased or sold and the price and amount thereof, the broker-dealer to be used and the commission to be paid.

You will have the opportunity to choose between discretionary and non-discretionary Asset Management services when you execute your Investment Management Agreement. A trading authorization filed with your broker-dealer/custodian will also be required.

Even if you grant discretionary authority to Northstar, you may still place restrictions on our trading, such as a prohibition on investing in certain companies, industries, or markets. In all cases, discretion is exercised with your stated risk tolerance and financial objectives in mind.

## VOTING CLIENT SECURITIES:

For any security that entails a voting right in the underlying company, Northstar will not have or accept authority to vote on your behalf. All voting issues, proxies, and solicitations will be communicated to you through your broker-dealer/custodian. Upon request, however, we may help explain or answer questions regarding a given voting issue.

## FINANCIAL INFORMATION:

Northstar does not bill for services more than six (6) months in advance, in any amount. However, registered investment advisers with discretionary authority who take custody, even in a limited capacity, are required to provide you with certain financial information or disclose their financial condition.

Northstar, its controlling owners, and its associated persons have no financial commitment that impairs its ability to meet contractual and fiduciary commitments to you, and nor has the firm or its associated persons been the subject of a bankruptcy proceeding.