

Item 1 – Cover Page

Hapanowicz and Associates Financial Services, Inc.
doing business as H&A Wealth Advisors and H&A Retirement Advisors
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Pittsburgh, PA 15219
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Date of Brochure: March 7, 2013

This brochure provides information about the qualifications and investment advisory business practices of Hapanowicz and Associates Financial Services, Inc. If you have any questions about the contents of this brochure please contact us at (412) 261-5966 or reh@hapanowicz-associates.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about our investment advisory business is also available on the Internet at www.adviserinfo.sec.gov. You can view our information on this website by searching for “Hapanowicz and Associates Financial Services, Inc.” You can also search using the firm’s CRD numbers. The CRD number for the firm is 157523.

*Registration as an investment advisor does not imply a certain level of skill or training.

Item 2 – Material Changes

The following material changes have occurred to this disclosure brochure since filing our annual amendment in February 2012:

We have improved our disclosures concerning our Retirement Plan Consulting Services, and have had an increase in our firm's assets under management. Please see Item 4 – Advisory Business for further details.

We will ensure that you receive a summary of material changes, if any, to this and subsequent disclosure brochures within 120 days after our fiscal year ends. Our fiscal year ends on December 31 so you will receive the summary of material changes, if any, no later than April 30 each year. At that time we will also offer a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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Item 4 – Advisory Business

Description of Advisory Firm

Hapanowicz and Associates Financial Services, Inc. is a registered investment advisor with the U.S. Securities and Exchange Commission and is properly approved or exempt from registration in the states where we conduct business. Hapanowicz and Associates performs its investment advisory activities under the names H&A Wealth Advisors and H&A Retirement Advisors. Our firm is a Corporation formed under the laws of the State of Pennsylvania.

- Hapanowicz and Associates Financial Services is 100% owned by Robert Hapanowicz.
- Our firm has been registered as an investment advisor since May, 2011.
- We provide fee-based investment advisory services through Hapanowicz and Associates Financial Services, Inc. The nature and extent of the specific services provided to clients, including you, will always depend on each client's financial status, objectives and needs, time horizons, concerns, expectations and risk tolerance.
- The advisor representatives of Hapanowicz and Associates are also licensed as registered representatives with LPL Financial, Inc. a registered broker/dealer, member FINRA/SIPC, and some of our advisor representatives are also independent insurance agents. When acting in these capacities, our advisor representatives will earn commissions. Our advisory representatives typically spend approximately 30% their time providing commission-based services through LPL Financial. These potential conflict of interest situations are discussed in more detail at *Item 5, Item 10, Item 12, and Item 14 of this Disclosure Brochure*.
- When providing advisory services, we are able to use various programs sponsored by LPL Financial, an investment advisor registered with the SEC. More details are provided at *Item 5* of this Disclosure Brochure.
- More information about our investment advisor representatives' business and education background can be found at the section titled *Information Required by Part 2B of Form ADV: Brochure Supplement* at the end of this brochure.

General Description of Primary Advisory Services

The following are brief descriptions of our advisory services. A detailed description of each service is provided in *Item 5 – Fees and Compensation* so that you can review the services and description of fees in a side-by-side manner.

Financial Planning Services – We provide advisory services in the form of financial planning services. Financial planning services do not involve the active management of client accounts, but instead focus on a client's overall financial situation. Financial planning can be described as helping individuals determine and set their long-term financial goals through investments, tax planning, asset allocation, risk management, retirement planning, and other areas. The role of a financial planner is to find ways to help the client understand his/her overall financial situation and help the client set financial objectives. These

services are described under the Financial Planning Services and Wealth Resources Services sections of *Item 5 – Fees and Compensation*.

Asset Management Services – We provide advisory services in the form of Asset Management Services. Asset Management Services involve providing clients with continuous and on-going supervision over client accounts. This means we will continuously monitor a client's account and make trades in client accounts when necessary. These services are provided through the Optimum Market Portfolios, Model Wealth Portfolios and Hapanowicz Asset Management Programs and are fully described in *Item 5 – Fees and Compensation*.

Outside Money Managers – We also may refer or recommend clients use outside, or unaffiliated, money managers that are registered or exempt from registration as investment advisors. Third-party money managers are responsible for continuously monitoring client accounts and making trades client accounts when necessary. These services are provided in various forms through the Manger Select Program described in *Item 5 – Fees and Compensation*.

Retirement Plan Consulting Services - H&A Retirement Advisors offers retirement plan consulting services to retirement plan sponsors and to individual participants in retirement plans. For a corporate sponsor of a retirement plan, our retirement plan consulting services can include, but are not limited to, the following services:

Fiduciary Consulting Services

H&A Retirement Advisors provides the following Fiduciary Retirement Plan Consulting Services:

- Qualified Plan Development. H&A Retirement Advisors will assist you with the establishment of a qualified plan by working with you and a selected Third Party Administrator. If you have not already selected a Third Party Administrator, we shall assist you with the review and selection of a Third Party Administrator for the Plan.
- Investment Policy Statement. H&A Retirement Advisors will help you develop an investment policy statement. The investment policy statement establishes the investment policies and objectives for the Plan. You will have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the investment policy statement.
- Investment Selection Services. H&A Retirement Advisors will provide you with recommendations of investment options consistent with ERISA section 404(c).
- Due Diligence Review. Upon request, H&A Retirement Advisors will provide you with periodic due diligence reviews of the Plan, the Plan's fees and expenses, and the Plan's portfolio managers.
- Investment Monitoring. H&A Retirement Advisors will assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformation to the guidelines set forth in the investment policy statement and H&A Retirement Advisors will make recommendations to maintain or remove and replace investment options.
- Participant Advice. Upon request, H&A Retirement Advisors will provide one-on-one advice to Plan participants.

- Fiduciary File Set-up. H&A Retirement Advisors will help you establish a “fiduciary file” for the Plan which contains trust documents, custodial/brokerage statements, investment performance reports, services agreements with investment management vendors, the investment policy statement, investment committee minutes, asset allocation/asset liability studies, due diligence fields on funds/money managers and monitoring procedures for funds and/or money managers.

H&A Retirement Advisors acknowledges that in performing the Fiduciary Consulting Services listed above that it is acting as a “fiduciary” as such term is defined under Section 3(21)(A)(ii) of Employee Retirement Income Security Act of 1974 (“ERISA”) for purposes of providing non-discretionary investment advice only. H&A Retirement Advisors will act in a manner consistent with the requirements of a fiduciary under ERISA if, based upon the facts and circumstances, such services cause H&A Retirement Advisors to be a fiduciary as a matter of law. However, in providing the Fiduciary Consulting Services, H&A Retirement Advisors (a) has no responsibility and will not (i) exercise any discretionary authority or discretionary control respecting management of Client's retirement plan, (ii) exercise any authority or control respecting management or disposition of assets of Client's retirement plan, or (iii) have any discretionary authority or discretionary responsibility in the administration of Client's retirement plan or the interpretation of Client's retirement plan documents, (b) is not an “investment manager” as defined in Section 3(38) of ERISA and does not have the power to manage, acquire or dispose of any plan assets, and (c) is not the “Administrator” of Client's retirement plan as defined in ERISA.

Non-Fiduciary Services

H&A Retirement Advisors provides clients with the following Non-Fiduciary Retirement Plan Consulting Services:

- Participant Educational Presentations. H&A Retirement Advisors will provide educational presentations for Plan participants. Presentations to Plan participants are informational in nature and intended to provide an overview of the Plan and the Plan's investment selections. Educational presentations will not take into account the individual circumstances of each participant and individual recommendations will not be provided unless otherwise agreed upon. Plan participants are responsible for implementing transactions in their own accounts. Under no circumstances will H&A Retirement Advisors implement transactions in the individual Plan participant accounts.
- Participant Enrollment. H&A Retirement Advisors will assist you with group enrollment meetings designed to increase retirement plan participation among employees and investment and financial understanding by the employees.

Although an investment adviser is considered a fiduciary under the Investment Advisers Act of 1940 and required to meet the fiduciary duties as defined by the Advisers Act, the services listed here as non-fiduciary should not be considered fiduciary services for the purposes of ERISA since Advisor is not acting as a fiduciary to the Plan as the term “fiduciary” is defined in Section 3(21)(A)(ii) of ERISA.

The exact suite of services provided to a client will be listed and detailed in the Qualified Retirement Plan Consulting Agreement.

All recommendations of investment options and portfolios will be submitted to the client for the client's ultimate approval or rejection. Therefore, it is always the client's responsibility to accept investment recommendations of H&A Retirement Advisors and then physically make changes to the plan itself.

In the event a client contracts with H&A Retirement Advisors for one-on-one consulting services with plan participants, such services are consultative in nature and do not involve H&A Retirement Advisors implementing recommendations in individual participant accounts. It will be the responsibility of each participant to implement changes in the participant's individual accounts.

We can also meet with individual participants to discuss their specific investment risk tolerance, investment time frame and investment selections.

Retirement plan consulting services are not management services, and H&A Retirement Advisors does not serve as administrator or trustee of the plan. H&A Retirement Advisors does not act as custodian for any client account or have access to client funds or securities (with the exception of, some accounts, having written authorization from the client to deduct our fees). In addition, we do not implement any transactions in a retirement plan or participant's account. For retirement plan consulting services, the retirement plan or the plan participant who elects to implement any recommendations made by us is solely responsible for implementing all transactions.

H&A Retirement Advisors will disclose, to the extent required by ERISA Regulation Section 2550.408b-2(c), to you any change to the information that we are required to disclose under ERISA Regulation Section 2550.408b-2(c)(1)(iv) as soon as practicable, but no later than sixty (60) days from the date on which we are informed of the change (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable).

In accordance with ERISA Regulation Section 2550.408b-2(c)(vi)(A), we will disclose within thirty (30) days following receipt of a written request from the responsible plan fiduciary or Plan Administrator (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable) all information related to the Qualified Retirement Plan Consulting Agreement and any compensation or fees received in connection with the Agreement that is required for the Plan to comply with the reporting and disclosure requirements of Title 1 of ERISA and the regulations, forms and schedules issued thereunder.

If we make an unintentional error or omission in disclosing the information required under ERISA Regulation Section 2550.408b-2(c)(1)(iv) or (vi), we will disclose to you the correct information as soon as practicable, but no later than thirty (30) days from the date on which we learn of such error or omission.

Provides Advice on Various Types of Investments

We provide advice on various types of investments such as those listed below.

- Exchange-listed securities (i.e. stocks)
- Securities traded over-the-counter (i.e. stocks)
- Foreign issues
- Corporate debt securities (other than commercial paper)
- Exchange Traded Funds (ETFs)
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States government securities

- Fixed rate annuity contracts and asset allocation and reporting services.
- Options contracts
- Alternative investments
- Hedge funds

Hapanowicz and Associates Financial Services, Inc. generally does not provide advice on warrants, commercial paper, options contracts on commodities, futures contracts on tangibles, or futures contracts on intangibles.

When providing Asset Management Services, the firm will typically construct each client's account holdings using stock and bond mutual funds, ETFs, and equities to build diversified portfolios. It is not Hapanowicz and Associates Financial Services, Inc.'s typical investment strategy to attempt to time the market but it may increase cash holdings modestly as deemed appropriate, based on a client's risk tolerance and Hapanowicz and Associates Financial Services, Inc.'s expectations of market behavior. Hapanowicz and Associates Financial Services, Inc. may modify its investment strategy to accommodate special situations like: low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

(Please refer to *Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss* for more information.)

Participation in Wrap Fee Programs

We offer services through both wrap-fee programs and non-wrap fee programs. The Optimum Market Portfolios, Model Wealth Portfolios and HMAP (H&A Managed Assets Program) Programs are wrap-fee programs. A wrap fee program is defined as any advisory program under which a specified fee or fees not based directly upon transactions in a client's account is charged for investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions. Whenever a fee is charged to a client for services described in this brochure (whether wrap fee or non-wrap fee), we will receive all or a portion of the fee charged.

Tailor Advisory Services to Individual Needs of Clients

Our services are always provided based on the individual needs of each client. This means, for example, that the client is given the ability to impose restrictions on their accounts, including restricting specific investment selections and sectors. We work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information.

Client Assets Managed by Hapanowicz and Associates Financial Services, Inc.

We manage and administer approximately \$ 147,022,004 as of December 31, 2012.

Of this total, \$145,820,563 is managed by Hapanowicz and Associates Financial Services, Inc. on a discretionary basis and \$1,201,441 is managed on a non-discretionary basis under the Optimum Market Portfolio, Model Wealth Portfolio and HMAP Programs.

Item 5 – Fees and Compensation

In addition to the information provided in *Item 4 – Advisory Business*, this section provides details regarding our services along with descriptions of each service's fees and compensation arrangements.

Immediate family members of Hapanowicz and Associates Financial Services, Inc.'s associated persons may be offered a discounted fee. On occasion and at our complete discretion, discounts may be offered to other clients as well.

Please note that our fees may be higher than fees charged by other financial professionals providing similar services.

Financial Planning

Analyses, Plans, Consultations and Fees

If you elect to engage us for this service, we will provide financial analysis and financial planning services consistent with your current financial and tax status, financial goals, investment attitudes and risk/reward parameters. The fees for these services are generally based on the time required to perform the services and are billed at a rate of up to \$400 per hour, subject to a minimum fee of \$3500.00. Hapanowicz and Associates Financial Services, Inc. also offer consultation services on any topic of interest to the client. Consultation services can include general non-securities advice on topics such as tax planning, estate planning and business planning. The fees for these financial services are also included in the up to \$400 per hour rate described above. Hapanowicz and Associates does not provide legal or tax advice, however we do work well with your tax and legal advisors. Clients are encouraged to seek proper legal and tax counsel.

An estimate of the time required will be made before work begins, and a maximum fee will be indicated on the advisory agreement signed by the client. Fees for the above services are due and payable within 30 days after the services are performed.

Financial planning services automatically terminate upon presentation of the plan to the client or upon completion of the consultation. Either party can also terminate the advisory agreement before then by providing written notice to the other party. Termination will be effective upon receipt of notice. If terminated within five business days of signing the advisory agreement, services are terminated without penalty. If the agreement is terminated after five business days but prior to completion of services, at the option of Hapanowicz and Associates Financial Services, Inc.'s associated persons, clients may be responsible for the time expended and expenses disbursed prior to receipt of the termination notice. In this case, Hapanowicz and Associates Financial Services, Inc. will provide clients with a statement detailing the time and expenses due.

Optimum Market Portfolios

We have entered into an arrangement with LPL to provide services through the Optimum Market Portfolios Program ("OMP"), a wrap-fee program sponsored by LPL. If you contract for this service you must establish a brokerage account through LPL which serves as the broker/dealer and qualified custodian. OMP offers clients the ability to participate in a professionally managed asset allocation program using OMP Funds Class I shares.

We obtain your necessary financial data and assist you in determining the suitability of OMP and in setting an appropriate investment objective. We assist you with opening an account and determining an investment portfolio. Once the program minimum has been reached and a portfolio selected, LPL purchases OMP funds in amounts appropriate for the portfolio selected. LPL is responsible for rebalancing the account on the frequency selected jointly by you and us. There are several OMP funds that may be purchased within an OMP account. LPL follows a strategic asset allocation investment style in constructing portfolios for OMP clients. Asset allocation methodology is implemented by combining investments representing various asset classes that reflect differently to varying market conditions. Thus, if one asset class reacts negatively to certain market events, the potential exists for another asset class to react positively. However, there is no guarantee that the use of an asset allocation strategy will produce favorable results. We are responsible for providing you with information about the investment strategy and the portfolios selected for you.

You receive quarterly account statements (monthly when activity occurs in the account), confirmations and performance reports directly from LPL.

LPL requires a minimum investment amount of \$15,000 to establish an OMP account. The maximum annual fee charged through the program is 1.5% of the total value of assets held in your account(s). Fees are negotiable depending on the market value of the account, asset types, your financial situation and trading activity. The annual fees are divided and paid quarterly in advance through a direct debit in your account. LPL is responsible for calculating and debiting all fees from your accounts. You must provide LPL written authorization to debit advisory fees from your account(s) and pay those fees to us. The account quarter begins on the first day of the month in which the account is accepted. Annual fees are divided and billed quarterly in advance by LPL. If you participate in OMP, you must execute the OMP Market Portfolios Client Agreement. There may be other fees and expenses related to the management of OMP accounts. Full details of all fees are provided in the OMP Form ADV Part 2 Appendix, a copy of which is provided to all clients participating in OMP.

We receive 85% to 97.5% of the total fee charged to you, as shown by the following schedule. The fee schedule for OMP is 1.5% of your account value up to \$500,000. Over \$500,000, the fee is 1% of assets.

The fee charged may be negotiable based on the how the assets are invested. Fees are negotiable depending on the market value of the account, asset types, your financial situation and trading activity. We may also receive other compensation for participating in OMP such as bonuses, awards, or other things of value offered by LPL. The amount of this compensation may be more or less than if you had participated in our other advisory programs or if you paid separately for investment advice, brokerage and other client services. Therefore, we may have an incentive to recommend OMP over other programs.

You may also incur certain charges imposed by LPL or third parties other than us in connection with investments made through OMP accounts, including among others, the following types of charges: mutual fund management fees and administrative servicing fees, omnibus processing fees, sub-transfer agent fees, networking fees, other transaction charges and service fees, IRA and Qualified Retirement Plan fees, administrative servicing fees for trust accounts, and other charges required by law. LPL may receive a certain portion of these third party fees. Further information regarding charges and fees assessed by the OMP Funds are available in the appropriate prospectus.

LPL serves as a sub-services agent with respect to OMP accounts. As such, LPL provides all sub-accounting and shareholder recordkeeping with respect to OMP Fund shares and provides certain administrative services. LPL receives administrative servicing fees from the service agent of the OMP

Funds. Further, LPL provides investment consulting services to us regarding the OMP Funds. These services include assistance in selecting sub-advisors to the OMP Funds, providing quarterly fact sheets about the OMP Funds, meeting with sub-advisors of the OMP Funds to discuss performance, and assisting the investment advisor of the OMP Funds for making recommendations on sub-advisors to the Board of Trustees. LPL receives an investment consulting compensation from the investment advisor to the OMP Funds.

You can terminate an OMP account by providing written notice to LPL. Upon termination, you are entitled to a prorated refund of any pre-paid quarterly fees based on the number of days remaining in the quarter after termination. If you close the account within the first six months as a result of withdrawals bringing the account value below the required minimum, we and LPL reserve the right to retain the pre-paid quarterly fees for the current quarter in order to cover the administrative cost of establishing an OMP account. These fees may include costs to transfer positions into and out of the account, data entry costs to open the account, costs associated with reconciling positions in order to issue quarterly performance reports and the cost of re-registering positions.

This section is intended as a summary of OMP. If you contract for OMP services, you receive the OMP Form ADV Part 2A Appendix which provides detailed information regarding OMP.

Model Wealth Portfolios

We have entered into an arrangement with LPL to provide services through the Model Wealth Portfolios ("MWP") program, a wrap-fee program sponsored by LPL. If you contract for this service you must establish a brokerage account through LPL which serves as the broker/dealer and qualified custodian. MWP offers clients a professionally managed mutual fund asset allocation program in which LPL, in its capacity as an investment advisor, and we direct and manage specified client assets. A minimum account value of \$100,000 is required for MWP.

We obtain your necessary financial data and assist you in determining the suitability of MWP and in setting an appropriate investment objective. We assist you in opening an account and determining an investment portfolio designed by LPL's Research Department. LPL's Research Department is responsible for selecting the mutual funds within a portfolio and for making changes to the mutual funds selected. In certain cases a portfolio may consist only of mutual funds within the same fund family. In such a portfolio, LPL's Research Department will select only those mutual funds within the fund family.

You must grant us discretionary authority to select the portfolios suitable for you and must grant LPL discretionary authority to select investments held within portfolios and rebalance positions within the portfolios.

LPL follows a dynamic asset allocation investment style in constructing portfolios for MWP clients. Asset allocation methodology is implemented by combining investments representing various asset classes that respond differently to varying market conditions. Thus, if one asset class reacts negatively to certain market events, the potential exists for another asset class to react positively. However, there is no guarantee that the use of an asset allocation strategy will produce favorable results. We are responsible for providing you with information about the investment strategy and the portfolios selected for you.

You receive quarterly account statements (monthly when activity occurs in the account), confirmations, and performance reports directly from LPL.

The maximum annual fee charged through the program is 2.5% of the total value of assets held in your account(s). Fees are negotiable depending on the market value of the account, asset types, your financial situation and trading activity. The annual fees are divided and paid quarterly in advance through a direct debit in your account(s). LPL is responsible for calculating and debiting all fees from your accounts. You must provide LPL written authorization to debit advisory fees from your accounts and pay those fees to us. Fees are based on the account's asset value as of the last business day of the prior calendar quarter. Fees for accounts opened at any time other than the beginning of a quarter are prorated based on the number of days remaining in the initial quarter. If you participate in MWP, you must execute the MWP Client Agreement.

We receive 55% to 85% of the fee charged to you. The portion we receive is based on the fees that LPL charges and they consider the amount of money in the program and the costs of trading and other internal expenses. Fees are not negotiable. We may also receive other compensation for participating in MWP such as bonuses, awards, or other things of value offered by LPL. The amount of this compensation may be more or less than if you had participated in our other advisory programs or if you paid separately for investment advice, brokerage and other client services. Therefore, we may have an incentive to recommend MWP over other programs.

You may also incur certain charges imposed by LPL or third parties other than us in connection with investments made through MWP accounts, including among others, the following types of charges: mutual fund management fees and administrative servicing fees, omnibus processing fees, sub-transfer agent fees, networking fees, other transaction charges and service fees, IRA and Qualified Retirement Plan fees, administrative servicing fees for trust accounts, and other charges required by law. LPL and our representatives, in their capacity as LPL registered representatives, may receive a portion of these third party fees.

You may incur certain charges imposed by third parties other than us in connection with investments made through the account, including but not limited to, mutual fund sales loads, 12b-1 fees and surrender charges. Our representatives, in their separate capacities as registered representatives of LPL, may retain 12b-1 fees paid. However, unless otherwise stated in the MWP client agreement, advisory fees charged in retirement accounts are reduced by 12b-1 fees paid to LPL and our representatives in their capacity as LPL registered representatives.

You can terminate an MWP account by providing written notice to LPL. Upon termination, you are entitled to a prorated refund of any pre-paid quarterly fees based upon the number of days remaining in the quarter after termination. If you close the account within the first six months as a result of withdrawals bringing the account value below the required minimum, both we and LPL reserve the right to retain the pre-paid quarterly fees for the current quarter in order to cover the administrative cost of establishing an MWP account. The fees may include costs to transfer positions into and out of the account, data entry costs to open the account, costs associated with reconciling positions in order to issue quarterly performance reports and the cost of re-registering positions.

This section is intended as a summary of MWP. If you are contracting for MWP services, you receive the MWP Form ADV Part 2A Appendix providing detailed information regarding MWP.

Manager Access Select Program

We have entered into an arrangement with LPL to provide services through the Manager Access Select Program ("Manager Select") sponsored by LPL. Manager Access Select provides clients access to the investment advisory services of professional portfolio management firms for the individual management of client accounts. We will assist client in identifying a third party portfolio manager (Portfolio Manager) from a list of Portfolio Managers made available by LPL. The Portfolio Manager manages client's assets on a discretionary basis. We will provide initial and ongoing assistance regarding the Portfolio Manager selection process.

At your request, LPL may also act as portfolio manager on Manager Select accounts. Portfolio managers may also hire one or more sub-advisors to manage all or part of your Manager Select account. LPL is responsible for conducting due diligence on third party investment advisors and approving third party investment advisors for inclusion in Manager Select. We conduct our own due diligence and approval process prior to recommending a third party investment advisor to you.

We assist you in completing a confidential client profile enabling you determine appropriate investment guidelines. The confidential client profile is used to determine investment guidelines, risk tolerance, and other factors which assist in ascertaining the suitability of the Manager Select account and appropriate third party investment advisors.

Through Manager Select, we act as a solicitor when recommending you use third-party investment advisors. As a result, we are paid a portion of the fee charged and collected by LPL as the sponsor of Manager Select.

We are available to answer questions you may have regarding your account and act as the communication conduit between you and the third-party investment advisors. Third-party investment advisors take discretionary authority to determine the securities to be purchased and sold for you. Neither we nor our representatives have any trading authority with respect to your Manager Select account. Unless you direct otherwise in writing, third party investment advisors are responsible for voting proxies solicited by, or with respect to, issuers held in an account.

You are required to execute a Manager Select client agreement and establish a brokerage account through LPL who provides you with quarterly account statements (provided monthly when activity occurs), confirmations and performance reports. Third party investment advisors seek to obtain the best execution possible given the direction to trade through LPL. In some cases, third party investment advisors, in connection with their duty to seek to achieve best execution, may choose to execute transactions through a broker/dealer other than LPL.

In considering whether or not to restrict the execution of transactions through LPL, LPL evaluated its capacities to execute, clear and settle transactions. When securities transactions are effected through LPL, there are no brokerage commissions charged to the account. If the third party investment advisor chooses to execute a transaction through a broker/dealer other than LPL, the execution price may include a commission or fee imposed by the executing broker/dealer. In evaluating whether to execute a trade through a broker/dealer other than LPL, the third party investment advisor considers the fact that the account is not charged a commission if it is effected through LPL.

You should consider whether or not appointing LPL as the broker/dealer may or may not result in certain costs or disadvantages to you as a result of possibly less favorable executions. In particular, you should understand that your Manager Select account may not be able to participate in block trades affected by a third party investment advisor for its other accounts, which may result in a difference between prices charged to a Manager Select account and the third-party investment advisor's other accounts.

Transactions in fixed income securities may involve mark-up or mark-downs or other charges in addition to the advisory fee. LPL may act as a principal on fixed income trades in Manager Select accounts. In cases where LPL acts as a principal on fixed income trades, LPL may receive additional compensation to the extent it is able to sell fixed income securities for a price higher than what is paid. This may result in higher costs and lower performance than you would have otherwise received.

LPL may aggregate your transactions with other clients' to improve the quality of execution. When transactions are aggregated, the actual prices applicable to the aggregated transactions are averaged, and your account is deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained.

The minimum investment amount required to participate in Manager Select is \$100,000. However, some third-party investment advisors may have higher account minimum requirements. Account minimums are generally higher on fixed income accounts than equity based accounts. A complete description of the third-party investment advisor's services, fee schedules and account minimums is disclosed in the third party investment advisor's Form ADV Part 2A Appendix which is provided to you at the time a third-party investment advisor is selected.

The maximum annual fee charged through the program is 3% of the total value of assets held in your account(s). Fees are negotiable depending on the market value of the account, asset types, your financial situation and trading activity. The annual fees are divided and paid quarterly in advance through a direct debit in your account. LPL is responsible for calculating and debiting all fees from your account(s). You must provide LPL written authorization to debit advisory fees from your accounts and pay those fees to us. Fees are based on the account's asset value as of the last business day of the prior calendar quarter. Fees for accounts opened at any time other than the beginning of a quarter are prorated based on the number of days remaining in the initial quarter. If you participate in Manager Select, you must execute the Manager Select Client Agreement.

We receive 35% to 80% of the total fee charged to you. Fees are negotiable depending on the market value of the account, asset types, your financial situation and trading activity. We may also receive other compensation for participating in Manager Select such as bonuses, awards, or other things of value offered by LPL. The amount of this compensation may be more or less than if you had participated in our other advisory programs or if you paid separately for investment advice, brokerage and other client services. Therefore, we may have an incentive to recommend Manager Select over other programs.

Clients may also incur certain charges imposed by LPL or third parties other than us in connection with investments made through Manager Select accounts, including among others, the following types of charges: mutual fund management fees and administrative servicing fees, omnibus processing fees, sub-transfer agent fees, networking fees, other transaction charges and service fees, IRA and Qualified Retirement Plan fees, administrative servicing fees for trust accounts, and other charges required by law. LPL and our representatives, in their capacity as LPL registered representatives, may receive a portion of certain of these third party fees.

Clients are advised that we may have a conflict of interest by only offering those third-party investment advisors that have agreed to participate in Manager Select. In addition, we may receive additional compensation from advisory product sponsors. Such compensation may not be tied to the sales of any products. Compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings or advertising or marketing initiatives.

You are advised that there may be other third-party managed programs that may be suitable to you that may be more or less costly. No guarantees can be made that your financial goals or objectives are achieved. Further, no guarantees of performance can be offered. Investments involve risk, including the possible loss of principal.

You can terminate a Manager Select account by providing written notice to LPL. Upon termination, you are entitled to a prorated refund of any pre-paid quarterly fees based on the number of days remaining in the quarter after termination. If you close the account within the first six months as a result of withdrawals bringing the account value below the required minimum, both we and LPL reserve the right to retain the pre-paid quarterly fees for the current quarter in order to cover the administrative cost of establishing a Manager Select account. Those fees may include costs to transfer positions into and out of the account, data entry costs to open the account, costs associated with reconciling positions in order to issue quarterly performance reports and the cost of re-registering positions.

A minimum account value of \$5,000,000 is required for Manager Access Select, however, in certain instances, the minimum account size may be lower or higher.

HMAP (H&A Managed Asset Program)

Hapanowicz and Associates, Inc. is the sponsor of the Hapanowicz Managed Asset Program (referred to as HMAP), a wrap-fee program developed through an arrangement using LPL Financial's SWM (Strategic Wealth Management platform). Through the HMAP, Hapanowicz and Associates provides investment management services which are defined as providing continuous investment advice to a client and making investments for the client based on the individual needs of the client. Through this service, our firm offers a customized and individualized investment program for clients. A specific asset allocation strategy is crafted to focus on the specific client's goals and objectives. Clients will be required to complete a Confidential Profile & Questionnaire in order to help define the risk tolerance and investment objective of the client.

HMAP accounts are established at LPL Financial (referred to as "LPL Financial" or "LPL" throughout) in its capacity as a registered broker/dealer, member Financial Industry Regulatory Authority (FINRA) and Securities Investors Protection Corporation (SIPC). LPL Financial is also an investment advisor registered with the SEC, but does not serve as an investment advisor for Hapanowicz and Associates' clients through the HMAP. Clearing, custody and other brokerage services are provided by LPL Financial for accounts established through the HMAP. Therefore, clients will be required to establish a brokerage account(s) through LPL Financial's Strategic Wealth Management platform. Separate accounts are maintained for each client. Each client retains all rights of ownership of their accounts (e. g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations). *Please refer to Item 12 – Brokerage Practices for more information.*

HMAP accounts allow clients to authorize Hapanowicz and Associates to purchase and sell on a discretionary basis portfolios consisting of securities and investments listed in *Item 4 – Advisory Business of this Disclosure Brochure*. Hapanowicz and Associates may limit its discretion with respect to the client account and the securities eligible to be purchased for the client account (*Please refer to Item 16 – Investment Discretion for more information*).

The annual investment advisory fee charged shall vary up to 1.5% of the assets held in the account and is determined by the market value of the account, asset types, the client's financial situation and trading activity, and is negotiable with the client. The annual fee shall be divided and payable quarterly in advance through a direct debit in the client account. LPL Financial is responsible for calculating and debiting all fees from client accounts. Clients must provide LPL Financial written authorization to debit advisory fees from their accounts and pay such fees to Hapanowicz and Associates. Fees are based on the account's asset value as of the last business day of the prior calendar quarter. Fees for accounts opened at any time other than the beginning of a quarter will be prorated based on the number of days remaining in the initial quarter. The minimum household account size is \$1,000,000 with the exception of \$300,000 for family members of existing clients. Exceptions to these minimums may be granted at the discretion of the firm.

Prior to engaging Hapanowicz and Associates to provide investment management services, the client will be required to enter into a formal investment advisory agreement with Hapanowicz and Associates setting forth the terms and conditions, including the amount of investment advisory fees, under which Hapanowicz and Associates shall manage the client's assets, and a separate custodial/clearing agreement with LPL Financial.

Clients may open a HMAPI or HMAPII account. In a HMAPI account, in addition to the investment advisory fee, the client will pay certain transaction charges to defray the costs associated with trade execution. These costs are set out in the LPL Strategic Wealth Management platform brokerage account and application agreement. In the HMAPII account, the client does not pay transaction charges associated with trade execution. However, the total advisory fee charged by the firm for HMAPII accounts is higher than the advisory fee charged for HMAPI accounts. Higher fees for HMAPII accounts are charged by Hapanowicz and Associates to help absorb the transaction costs.

Clients may incur certain charges imposed by third parties other than Hapanowicz and Associates in connection with investments made through the account, including but not limited to, 12b-1 fees and surrender charges and IRA and qualified retirement plan fees. Management fees charged by Hapanowicz and Associates (which include transaction and execution fees charged by LPL Financial for HMAPII accounts) are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to clients. A description of these fees and expenses are available in each investment company security's prospectus. Hapanowicz and Associates' investment advisor representatives, will not retain any portion of the commissions charged to the client. However, such commissions will be retained by LPL Financial. These commissions may include 12b-1 fees, surrender charges, and IRA and qualified retirement plan fees.

HMAPI / HMAPII may cost the client more or less than if the assets were held in a traditional brokerage account. In a brokerage account, the client is charged commissions for each transaction, and the representative has no duty to provide ongoing advice with respect to the account. If the client plans to follow a buy and hold investment strategy for the account or does not wish to purchase ongoing investment advice or management services, the client should consider opening a brokerage account rather than a HMAPI or HMAPII account.

Either party may terminate the agreement for services at any time. If services are terminated within five (5) business days of executing the agreement, services will be terminated without penalty and a full refund of all fees paid in advance will be provided. If services are terminated after the initial five day period, Hapanowicz and Associates shall provide the client with a pro-rated refund of fees paid in advance. The refund will be based on the number of days service was actually provided during the final billing period. Termination shall be effective from the time the other party receives written notification or such other time as may be mutually agreed upon, subject to the settlement of transactions in progress and the final refund of advisory fees. There will be no penalty charge upon termination.

This section is intended to be a summary of the Hapanowicz and Associates Managed Assets Program. All clients contracting for HMAP services will be provided a copy of the HMAP Wrap Fee Program Brochure.

Retirement Plan Consulting Services

For retirement plan sponsors, the Plan will be charged an annual fee of up to 1% of the amount of Plan assets. This fee is negotiable based upon the complexity of the plan, the size of the plan assets, the actual services requested, the representative providing the services and the potential for additional deposits.

For individual participants, we will also charge an annual fee of up to 1% of the participant's account value. Fees are negotiable based upon the actual services requested and the complexity of the participant's situation.

For retirement plan sponsors and participants, fees are billed in advance (at the start of the billing period) on a quarterly calendar basis and calculated based on the fair market value of your account as of the last business day of the previous billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period. Retirement plan sponsors may also elect to pay all or a portion of fees for the individualized services provided by us to the plan participants.

Fee will be directly deducted from clients' accounts. Clients are required to provide the custodian with written authorization to deduct the fees from the account and pay the fees to H&A Retirement Advisors. We will provide the custodian with a fee notification statement.

Either party may terminate services by providing written notice of termination to the other party. If services are terminated within five business days of signing the client agreement, services are terminated without penalty. Any prepaid but unearned fees are promptly refunded to the client at the effective date of termination.

H&A Retirement Advisors does not reasonably expect to receive any other compensation, direct or indirect, for its Services. If we receive any other compensation for such services, we will (i) offset that compensation against our stated fees, and (ii) will disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to you.

Ascensus - Hapanowicz and Associates has entered in to an agreement with Ascensus, Inc. to utilize their Prudent Advisor Fee Based 401(K) Platform. Through this Platform Hapanowicz and Associates' clients will contract for 401K Plan record keeping and reporting services and receive a fee as described in the Ascensus Retirement Plan Recordkeeping Services Agreement. Hapanowicz and Associates will not

receive any portion of the recordkeeping fees charged to the client. The fees charged by Ascensus may be more or less than fees charged by other vendors providing similar services.

Schneider Downs Wealth management Advisors, LLC - Hapanowicz and Associates has entered in to an agreement with SDWM to utilize their Fee Based 401(K) Platform for existing clients only. The SDWM platform will not be available to clients not currently enrolled in the program. Through this Platform Hapanowicz and Associates' clients will contract for 401K Plan record keeping and reporting services and receive a fee as described in the SDWM Recordkeeping Services Agreement. Hapanowicz and Associates will not receive any portion of the recordkeeping fees charged to the client. The fees charged by SDWM may be more or less than fees charged by other vendors providing similar services.

Compensation for the Sale of Securities or Other Investment Products

As briefly disclosed in *Item 4 – Advisory Business*, our advisor representatives can sell securities in their separate capacities as registered representatives of LPL Financial. In addition, they may sell insurance products in their capacities as independent insurance agents for sales commissions.

Some of the advice offered by our advisor representatives may involve investments in mutual fund products. Load and no-load mutual funds may pay annual distribution charges sometimes referred to as 12b-1 fees. However, our advisor representatives do not receive any portion of the 12b-1 fees paid and other compensation such as commissions, loads, trails, etc. when holding mutual funds in managed accounts. Because we only receive advisory fees charged to clients, there is not an incentive for us to recommend investment products paying commissions and other fees when mutual funds. Therefore, we primarily recommend no-load mutual funds and mutual funds priced at net-asset-value.

When administering non-advisory, non-fee based accounts through LPL Financial, our advisor representatives will receive normal and customary commissions. This will include a portion of 12b-1 fees, trailer fees, and loads from some investment companies. Clients should be aware that these 12b-1 fees come from fund assets, and thus, indirectly from client's assets. The receipt of these fees could represent an incentive for registered representatives to recommend funds with 12b-1 fees or higher 12b-1 fees over funds with no fees or lower fees, therefore creating a potential conflict of interest.

You are never obligated to use LPL Financial and you are never obligated to purchase investment products through our investment advisor representatives. You have the option to purchased investment products through other brokers or agents that are not affiliated with Hapanowicz and Associates.

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

Item 6 of the Form ADV Part 2 instructions is not applicable to this Disclosure Brochure because Hapanowicz and Associates Financial Services, Inc. does not charge or accept performance-based fees which can be defined as fees based on a share of capital gains on or capital appreciation of the assets held within a client's account.

Item 7 – Types of Clients

Hapanowicz and Associates Financial Services, Inc. generally provides investment advice to the following types of clients:

- Individuals
- Pension and profit sharing plans
- Trusts, family partnerships, estates and charitable organizations
- Corporations and business entities other than those listed above

Minimum Investment Amount Guidelines

- Hapanowicz and Associates Financial Services, Inc. recommends a minimum investment amount of \$1,000,000 for establishing and maintaining an HMAP Account. Under certain circumstances, accounts below \$1,000,000 will be considered and may be accepted at the sole discretion of Hapanowicz and Associates Inc.
- There is a minimum investment of \$15,000 required to establish an OMP account. There is a \$5,000,000 minimum investment requirement to establish a MWP account and/or Managed Select account. The minimums may be waived in certain circumstances.

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

Hapanowicz and Associates Financial Services, Inc. use the following methods of analysis in formulating investment advice.

Hapanowicz and Associates Financial Services, Inc. evaluates the potential benefits and risks inherent within investment categories. Investment characteristics are then matched to the client's needs and preferences to determine an appropriate mix of investment vehicles. Investments and mutual funds within a particular investment category are selected. Analysis is focused on risk parameters that relate that to the risk tolerance of each individual client. We look at volatility of portfolios, relative historic performance, and consistency over multiple market cycles.

Hapanowicz and Associates may use the following methods of analysis in formulating investment advice.

Charting - The set of techniques used in technical analysis in which charts are used to plot price movements, volume, settlement prices, open interest, and other indicators, in order to anticipate future price movements. Users of these techniques, called chartists, believe that past trends in these indicators can be used to extrapolate future trends.

Fundamental - A method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of companies). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about

using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

Cyclical - Analyzes the investments sensitive to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise just before an economic upturn begins, and fall just before a downturn begins. Investors in cyclical stocks try to make the largest gains by buying the stock at the bottom of a business cycle, just before a turnaround begins.

Technical - A method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

Hapanowicz and Associates Financial Services, Inc. uses the following investment strategies when managing client assets and/or providing investment advice.

Investment strategies are designed to satisfy a hierarchy of client goals and objectives. First, a client's needs of short term cash flow and liquidity are considered. Appropriate investment vehicles and a cash reserve are recommended. Second, long term growth needs combined with needs for continuing liquidity are examined. Investments are selected which appear attractive for long term growth and are readily convertible to cash should circumstances warrant. Once these first two needs are satisfied, emphasis is placed on long-term investments which may or may not be liquid and which may provide tax reduction benefits.

Model mutual fund asset allocation portfolio programs, provided by a number of institutional investment managers and strategist, may be used when managing client assets.

The following are some of the general strategies that may be used when managing accounts.

- ✓ **Long term purchases.** Investments held at least a year.
- ✓ **Short term purchases.** Investments sold within a year.

Short sales. A short sale is generally the sale of a stock not owned by the investor. Investors who sell short believe the price of the stock will fall. If the price drops, the investor can buy the stock at the lower price and make a profit. If the price of the stock rises and the investor buys it back later at the higher price, the investor will incur a loss. Short sales require a margin account.

Tactical asset allocation. Allows for a range of percentages in each asset class (such as Stocks = 40-50%). These are minimum and maximum acceptable percentages that permit the investor to take advantage of market conditions within these parameters. Thus, a minor form of market timing is possible, since the investor can move to the higher end of the range when stocks are expected to do better and to the lower end when the economic outlook is bleak.

Strategic asset allocation. Calls for setting target allocations and then periodically rebalancing the portfolio back to those targets as investment returns skew the original asset allocation percentages. The concept is akin to a "buy and hold" strategy, rather than an active trading approach. Of course, the

strategic asset allocation targets may change over time as the client's goals and needs change and as the time horizon for major events such as retirement and college funding grow shorter.

Hapanowicz and Associates' primary strategy is a blend of strategic and tactical. Some of the risks involved with using this method include short term volatility to achieve longer term goals.

Hapanowicz and Associates' primary strategy may involve the frequent trading of securities. The frequent trading of securities may have a positive or negative impact on investment performance. Performance from active trading can be lowered due to an increase in brokerage and other transaction costs.

Please note we do not primarily recommend only one type of security. We recommend securities and investments listed at *Item 4 – Advisory Business*. Below we have described some of the specific risks associated with investing in general and investing in certain securities that we commonly advise.

Risk of Loss

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients (including you) should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated when investing in securities through our investment management program.

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.

- Fixed Income Risk. When investing in bonds, there is the risk that issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Options Risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk – When Hapanowicz and Associates Financial Services, Inc. invests in an ETF or mutual fund for a client, the client will bear additional expenses based on its pro rata share of the ETFs or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will also incur brokerage costs when purchasing ETFs.
- Management Risk – The value of your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produced the expected returns, the value of the investment will decrease.

Item 9 – Disciplinary Information

This item is not applicable to Hapanowicz and Associates' brochure because there are no legal or disciplinary events listed at Item 9 of the Form ADV Part 2 instructions that are material to a client's or prospective client's evaluation of Hapanowicz and Associates' business or integrity.

Item 10 – Other Financial Industry Activities and Affiliations

Hapanowicz and Associates is an independent investment advisory firm and only provides investment advisory services. The firm is not engaged in any other business activities and offers no other services than those described in this Disclosure Brochure.

Hapanowicz and Associates is not and does not have a related company that is a:

1. Broker/dealer, municipal securities dealer, government securities dealer or broker,
2. Futures commission merchant, commodity pool operator or commodity trading adviser,
3. Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund),
4. Other investment adviser
5. Financial planning firm,
6. Banking or thrift institution,

7. Lawyer or law firm,
8. Insurance company or agency,
9. Pension consultant,
10. Real estate broker or dealer,
11. Sponsor or syndicator of limited partnerships, or
12. Accountant or accounting firm.

While Hapanowicz and Associates does not sell products or services other than investment advice, our investment advisor representatives may sell other products or provide services outside of their role with Hapanowicz and Associates. Our investment advisor representatives concentrate the majority of their efforts toward sales of investments and investment advisory services.

Arrangement with LPL Financial

If the client wants to, the client can engage the investment advisor representatives of H&A in their separate capacities as registered representatives of LPL, to render securities brokerage services under a commission arrangement. Brokerage commissions may be charged by LPL to effect these securities transactions and, thereafter, a portion of these commissions will be paid by LPL to such investment advisor representatives as registered representatives of LPL. Prior to effecting any transactions, the client will be required to enter into a new account agreement with LPL. The brokerage commissions charged by LPL may be higher or lower than those charged by other broker/dealers. In addition, the registered representatives may also receive additional ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that the client maintains the mutual fund investment.

Depending on the type of LPL account that could be used to implement a financial plan or investment strategy, such compensation may include (but is not limited to) advisory program fees; commissions; mark-ups and mark-downs; transaction charges; confirmation charges; small account fees; mutual fund 12b-1 fees; mutual fund sub-transfer agency fees; hedge fund managed futures, and variable annuity investor servicing fees; retirement plan fees; fees in connection with LPL's insured deposit account program; administrative services fees for trust accounts; referral fees; compensation for directing order flow; and bonuses, awards or other things of value offered by LPL to the IAR.

This compensation to IAR and LPL may be more or less depending on the product or service that IAR recommends. Therefore, the IAR may have a financial incentive to recommend that a financial plan be implemented using a certain product or services.

The investment advisor representatives of Hapanowicz and Associates may recommend securities or insurance products offered by LPL (or other insurance firms), and will receive the normal commissions if products are purchased through them; thus a conflict of interest exists between their interests and those of Hapanowicz and Associates' Clients. Clients are under no obligation to purchase products recommended by investment advisor representatives or to purchase products either through Hapanowicz and Associates or LPL.

As a result of the LPL relationship, LPL will have access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about Hapanowicz and Associates' clients, even if the client does not establish any account through LPL. If you would like a copy of the LPL Financial privacy policy, please contact Hapanowicz and Associates.

Insurance Sales Activities

Some investment advisor representatives are licensed to provide insurance services to clients. Insurance products are provided to clients for personal, estate and business need to minimize clients' exposure to identified risks. Although clients are under no obligation to purchase insurance products recommended by investment advisor representative in their separate capacities and insurance agents, clients often purchase such products when needs arise. For clients of Hapanowicz and Associates who purchase products causing commissions to be generated these are paid to the investment advisor representatives in their separate capacities as insurance agents. For those investment advisor representatives who are insurance licensed, this activity varies throughout the year.

You are never obligated or required to purchase insurance products through one of our advisor representatives licensed as insurance agents. However, when acting as an insurance agent, our advisor representatives can help you purchase insurance products and will receive separate compensation (i.e. insurance commissions) in addition to investment advisory fees charged by Hapanowicz and Associates. Clients that choose to purchase insurance products through one of our advisor representatives should be aware they will generally only recommend insurance products of those companies for whom they are sales agents and with which they are familiar with the benefits, exclusions and other terms.

Because our advisor representatives will receive commissions for selling insurance products, there is a conflict of interest in that they may recommend policies to clients that do not require or need insurance. To control for this conflict of interest and to be consistent with our firm's fiduciary duty, our advisor representatives strive to recommend insurance products only to those clients who need new or additional insurance coverage.

Third-Party Money Managers

As described in *Item 4 – Advisory Business* and *Item 5 – Fees and Compensation*, Hapanowicz and Associates Financial Services, Inc., has formed relationships with independent, third-party money managers. As disclosed in those items, Hapanowicz and Associates Financial Services, Inc. may recommend clients work directly with third-party money managers. When Hapanowicz and Associates Financial Services, Inc. refers clients to a third party money manager, you need to know that the firm will receive a portion of the fee charged by the third party money manager. Therefore, Hapanowicz and Associates Financial Services, Inc. has a conflict of interest in that it will only recommend third party money managers that will agree to compensate the firm by paying Hapanowicz and Associates Financial Services, Inc. a portion of the fees billed to your account managed by the third party money manager.

Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading

Code of Ethics Summary

An investment advisor is considered a fiduciary. As a fiduciary, it is an investment advisor's responsibility to provide fair and full disclosure of all material facts. In addition, an investment advisor has a duty of utmost good faith to act solely in the best interest of each of its clients. We have a fiduciary duty to all clients. We have established a Code of Ethics which all supervised persons must read and then execute an acknowledgment agreeing that they understand and agree to comply with the applicant's Code of Ethics. Our fiduciary duty to clients is considered the core underlying principle for the Code of Ethics and

represents the expected basis for all supervised persons dealings with clients. We have the responsibility to make sure that the interests of clients are placed ahead of our own investment interests.

All supervised persons will conduct business in an honest, ethical and fair manner. All supervised persons will comply with all federal and state securities laws at all times. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to services being conducted. All associated persons have a responsibility to avoid circumstances that might negatively affect or appear to affect the associated persons' duty of complete loyalty to their clients.

This section is only intended to provide current clients and potential clients with a description of our Code of Ethics. If current clients or potential clients wish to review the Code of Ethics in its entirety, a copy may be requested from any of our associates and a copy will be provided within 48 hours of the request.

Affiliate and Employee Personal Securities Transactions Disclosure

We may buy or sell investments or have an interest or position in an investment for our personal accounts which are also recommended to clients. We are and shall continue to be in compliance with *The Insider Trading and Securities Fraud Enforcement Act of 1988*. As these situations may represent a potential conflict of interest, we have implemented the following policies.

- Associated persons cannot prefer their own interests to that of advisory clients.
- No person employed by our firm may purchase or sell any security prior to a transaction or transactions being implemented for an advisory account.
- Associated persons shall not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of his/her employment, unless the information is also available to the investing public upon reasonable inquiry.
- We do not recommend individual stock positions to clients. Although our clients may hold stock positions in their accounts that we also own, it is a result of legacy positions held by the client prior to working with our firm.
- Investments we recommend to clients generally include mutual funds, ETFs, and other investments that are publicly traded and widely available therefore limiting the risk for manipulation.

Item 12 – Brokerage Practices

This section provides information about our brokerage practices in addition to the information detailed in *Item 5 – Fees and Compensation*.

Clients wishing to implement Hapanowicz and Associates' advice are free to select any broker they wish and are so informed. If clients wish to have Hapanowicz and Associates investment advisor representatives implement the advice in their capacity as registered representative, LPL will be used.

Not all investment advisors require the use of a particular broker/dealer. Some investment advisors allow their clients to establish managed accounts at any broker/dealer of the client's own choosing. Because of our affiliation with LPL Financial and subsequent LPL Financial policies, we require the use of LPL Financial when opening an account through the Pinkerton Managed Asset Program and the LPL Manager Access Select Program.

Although we do not receive client referrals from LPL, investment advisor representatives of Hapanowicz and Associates are registered representatives of LPL and are required to use the services of LPL when acting in their capacity as registered representatives. LPL has a wide range of approved securities products for which LPL performs due diligence prior to selection. LPL's registered representatives are required to adhere to these products when implementing securities transactions through LPL. Commissions charged for these products may be higher or lower than commissions clients may be able to obtain if transactions were implemented through another broker/dealer. Because the investment advisor representatives of Hapanowicz and Associates are also registered representatives of LPL, LPL provides compliance support to Hapanowicz and Associates' supervised persons. In addition to compliance support, LPL also provides the supervised persons of the firm, and therefore the firm, with back-office operational, technology, and other administrative support.

If clients wish to implement the advice of Hapanowicz and Associates through any of the programs described in this document, LPL will be used as the broker/dealer and/or custodian. LPL will be the primary broker/dealer and custodian recommended due to the firm's relationship with LPL. Hapanowicz and Associates recommends broker/dealers and custodians that Hapanowicz and Associates feels will provide services in a manner and at a cost that will allow the firm to meet its duty of best execution. However, Hapanowicz and Associates may be limited in the broker/dealer or custodians that it is allowed to use due to the firm's relationship with LPL. LPL may limit or restrict the broker/dealer or custodial platforms for its registered representatives that are also independently licensed due to its duty to supervise the transactions implemented by these individuals.

While there is no direct linkage between the investment advice given to clients and Hapanowicz and Associates' recommendation of LPL, economic benefits may be provided by LPL to the firm that will not be provided if the client selects another broker/dealer or account custodian. These benefits may include: negotiated costs for transaction implementation, a dedicated trade desk that services LPL participants exclusively, a dedicated service group and an account services manager dedicated to the firm's accounts, access to a real-time order matching system, electronic download of trades, balances and position information, access, for a fee, to an electronic interface with the account custodian's software, duplicate and batched client statements, confirmations and year-end reports.

Trading Policy

Our trading policy is to implement all client orders on an individual basis. From time to time we do aggregate or "block" client transactions. Considering the types of investments we hold in advisory client accounts, we do not believe clients are hindered in any way because we trade accounts individually. This is because we develop individualized investment strategies for clients and holdings will vary. Further, the investments we are responsible for trading in client accounts are typically limited to mutual funds, ETFs, and other broadly traded positions. Our strategies are primarily developed for the long-term and minor differences in price execution are not material to our overall investment strategy.

Item 13 – Review of Accounts

Account Reviews and Reviewers

Asset Management Services accounts will be reviewed upon entering into an investment advisory agreement to perform review services and at least quarterly thereafter. Such services and reports are separate from and in addition to other investment advisory agreements between Hapanowicz and Associates Financial Services, Inc. and the client. Reviewers include one or more members of our investment committee. The investment advisory agreement terminates upon presentation of a written financial plan or upon the completion of the agreed upon consultation.

For clients participating in third party money manager programs, accounts are reviewed periodically by one or more members of the investment committee. Additional reviews may be done upon client request. The same level of review is performed for all types of accounts.

Statements and Reports

You will receive monthly statements from the account custodian or clearing firm, if your account(s) have activity during the month. If the account does not have any monthly activity, an account statement is provided by the account custodian or clearing firm at least quarterly. Such statements will show any activity in the account, as well as period ending position balances. You will also receive a confirmation from the custodian or clearing firm of each purchase and sale transaction that occurs within Optimum Wealth Portfolios, Model Wealth Portfolios and HMAP accounts.

Clients will be provided with quarterly reports on their accounts from Hapanowicz and Associates. The performance information provided is believed to be accurate but cannot be guaranteed. We cannot guarantee the accuracy of fund values, securities' and other information obtained from third parties.

We encourage you to compare the reports and correspondence received from Hapanowicz and Associates with the account statements and confirmations received from the account custodian. Inquiries or concerns regarding the account, including performance reports, should be directed to Hapanowicz and Associates or the account custodian at the phone number listed on the account statement.

Accounts not receiving reports from our firm will be reviewed and monitored at the discretion of the representative assigned to the account or the independent investment advisor firm, their representatives and money managers handling the accounts. No other parties review accounts for accuracy of performance information. These individuals are available to answer your questions and to review an account at your request.

Item 14 – Client Referrals and Other Compensation

Hapanowicz and Associates may enter into agreements with solicitors (referring parties) to refer clients to the applicant. If a referred client enters into an investment advisory agreement with the applicant, a cash referral fee is paid to the referring party based upon a percentage of the client advisory fees that are generated. The referral agreements between any referring party and the applicant will not result in any charges to clients in addition to the normal level of advisory fees charged. The referral agreements

between the applicant and referring parties are in compliance with regulations as set out in 17 CFR Section 275.206(4)-3.

In addition to the description of Other Compensation already described in Item 5 – Fees and Compensation, Item 10 – Other Financial Industry Activities and Affiliations, and Item 12 – Brokerage Practices, please review the following.

We may from time to time receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as client appreciation events, advertising, publishing and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made. This creates a conflict of interest in that there is an incentive to recommend certain products and investments based on the receipt of this compensation instead of what is in the best interest of our clients. We attempt to control for this conflict by always basing investment decisions on the individual needs of our clients.

Item 15 – Custody

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented. According to this definition, Hapanowicz and Associates does not have custody of client funds or securities. It should be noted that our firm does have limited discretionary authority to transfer funds between a client's accounts with similar registrations held with a qualified custodian and may send funds to the client's address of record if requested by the client. However, regulators have provided guidance stating that transfers between accounts owned by the same client does not constitute custody.

Although the firm does not have custody, Hapanowicz and Associates has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian (e.g. National Financial Services or SEI Trust) to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against any reports received directly from Hapanowicz and Associates. When clients have questions about their account statements, they should contact Hapanowicz and Associates or the qualified custodian preparing the statement.

Item 16 – Investment Discretion

Specific to the Model Wealth Portfolio Program and the Hapanowicz and Associates Managed Assets Program, Hapanowicz and Associates will maintain trading authorization over client accounts. Upon

receiving written authorization from the client, Hapanowicz and Associates may implement trades on a **discretionary** basis (as detailed in our agreement for services). When discretionary authority is granted, Hapanowicz and Associates will have the authority to determine the type of securities and the amount of securities that can be bought or sold for the client's portfolio without obtaining the client's consent for each transaction. However, it is the policy of Hapanowicz and Associates to consult with the client prior to making significant changes in the account even when discretionary trading authority is granted by the client.

If you decide to grant trading authorization on a **non-discretionary** basis, we will be required to contact you prior to implementing changes in your account. Therefore, you will be contacted and required to accept or reject our investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, we will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, you need to know that if you are not able to be reached or are slow to respond to our request, it can have an adverse impact on the timing of trade implementations and we may not achieve the optimal trading price.

All clients have the ability to place reasonable restrictions on the types of investments that may be purchased in an account. Clients may also place reasonable limitations on the discretionary power granted to our firm so long as the limitations are specifically set forth or included as an attachment to the client agreement.

Item 17 – Voting Client Securities

Hapanowicz and Associates will not vote proxies on behalf of your account. While there are some investment advisors that will vote proxies and other corporate decisions on behalf of their clients, our firm has determined that taking on the responsibility for voting client securities does not add enough value to the services provided to clients to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in accounts managed by our firm.

Clients will receive proxies directly from their custodian or transfer agent and such documents will not be delivered by our firm. Although we do not vote client proxies, if you have a question about a particular proxy feel free to contact us.

Item 18 – Financial Information

This item is not applicable to this brochure. Hapanowicz and Associates Financial Services, Inc., does not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance. Therefore, Hapanowicz and Associates Financial Services, Inc. is not required to include a balance sheet for its most recent fiscal year. Hapanowicz and Associates Financial Services, Inc. is not subject to a

financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Finally, Hapanowicz and Associates Financial Services, Inc. has not been the subject of a bankruptcy petition at any time.

CUSTOMER PRIVACY NOTICE

Hapanowicz and Associates is committed to safeguarding the confidential information of its clients. We hold all personal information provided by our clients in the strictest confidence. Our persons may also be registered representatives of LPL Financial, a registered broker/dealer that is not affiliated with the applicant. We also have relationships with other non-affiliated investment advisors, insurance companies, trust companies, custodians and other financial institution entities. Except as required or permitted by law, we do not share confidential information about clients with non-affiliated third parties. In the unlikely event there were to be a change in this fundamental policy that would permit additional disclosures of client confidential information, the applicant will provide written notice to its clients and clients will be given an opportunity to direct the applicant as to whether such disclosure is permissible.

AN IMPORTANT NOTICE CONCERNING CUSTOMERS' PRIVACY

CUSTOMER INFORMATION WE COLLECT. We collect and develop personal information about clients and some of that information is nonpublic personal information (Customer Information). The essential purpose for collecting Customer Information is to provide and service the financial products and services clients obtain from our firm. The categories of Customer Information we collect depend upon the scope of the engagement with the client and are generally described below.

As an investment advisor, we collect and develop Customer Information about clients in order to provide investment advisory services. Customer Information we collect includes:

- ✓ Information received from clients on financial inventories through consultations. This Customer Information may include personal and household information such as income, spending habits, investment objectives, financial goals, statements of account and other records concerning clients' financial condition and assets, together with information concerning employee benefits and retirement plan interests, wills, trusts, mortgages and tax returns.
- ✓ Information developed as part of financial plans, analyses or investment advisory services.
- ✓ Information concerning investment advisory account transactions, such as wrap account transactions.
- ✓ Information about a client's financial products and services transactions with the applicant.

DATA SECURITY. Hapanowicz and Associates restricts access to Customer Information to those associated persons and employees who need the information to perform their job responsibilities. We maintain agreements, as well as physical, electronic and procedural securities measures that comply with federal regulations to safeguard Customer Information about clients.

USE AND DISCLOSURE OF CUSTOMER INFORMATION TO PROVIDE CUSTOMER SERVICE FOR ACCOUNTS. To administer, manage and service customer accounts, process transactions and provide related services for client accounts, it is necessary for us to provide access to Customer Information within the firm and to non-affiliated companies such as investment advisors, other broker/dealers, trust companies, custodians and insurance companies. Hapanowicz and Associates may also provide Customer Information outside of the firm as permitted by law, such as to government entities, consumer reporting agencies or other third parties in response to subpoenas.

FORMER CLIENTS. When clients close an account with Hapanowicz and Associates, it will continue to operate in accordance with the principles stated in the Notice.

REQUIREMENTS OF FEDERAL LAW. In November of 1999, Congress enacted the *Gramm-Leach-Bliley Act* (GLBA). The GLBA requires certain financial institutions, including broker-dealers and investment advisors, to protect the privacy of Customer Information. To the extent a financial institution discloses Customer Information to non-affiliated third parties, other than as permitted or required by law, customers must be given the opportunity and means to opt out (or prevent) such disclosure. Please note that that the applicant does not disclose Customer Information to non-affiliated third parties, except as permitted or required by law (e. g., disclosures to service a client's account or to respond to subpoenas).

Information Required by Part 2B of Form ADV: Brochure Supplement - Robert E. Hapanowicz

Item 1 – Cover Page

**Hapanowicz and Associates Financial Services, Inc.
doing business as H&A Wealth Advisors and H&A Retirement Advisors
301 Grant Street, Suite 300
Pittsburgh, PA 15219
(412)261-5966**

Date of Brochure: March 2013

This brochure supplement provides information about Robert Hapanowicz that supplements the information previously provided in this brochure. Please contact Mr. Hapanowicz at (412) 261-5966 and/or reh@hapanowicz-associates.com if you have any questions about the contents of this supplement.

Additional information about Mr. Hapanowicz is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Educational Background and Business Experience

Robert E. Hapanowicz, Born 1956

Education Background:

Edinboro University, Edinboro, PA Bachelor's Degree, Economics/Business, 1979

Business Background:

Hapanowicz and Associates Financial Services, President, 01/1989 to Present, Investment Advisor Representative 06/2011 to Present

LPL Financial, Inc. Registered Representative 06/2011 to Present

Securities America Advisors, Inc. Investment Advisor Representative, 04/1994 to 05/2011

Securities America, Inc. Registered Representative, 01/1994 to 05/2011

Item 3 – Disciplinary Information

Mr. Hapanowicz has no legal or disciplinary events to report.

Item 4 – Other Business Activities

Mr. Hapanowicz is a registered representative with LPL Financial and an independent insurance agent. Please refer to the previous disclosures at *Item 10 – Other Financial Industry Activities and Affiliations* for details.

Item 5 – Additional Compensation

In addition to receiving a regular salary and his share of profits as an owner of Hapanowicz and Associates Financial Services, Inc., Mr. Hapanowicz can earn additional compensation in connection with providing investment advice. Please refer to the previous disclosures at *Item 5 – Fees and Compensation*, *Item 10 – Other Financial Industry Activities and Affiliations*, and *Item 14 – Client Referrals and Other Compensation* for details.

Item 6 – Supervision

Robert E. Hapanowicz is the President and Chief Compliance Officer of Hapanowicz and Associates, Inc. and ultimately responsible for supervising activities and services provided by the firm. As a part of Mr. Hapanowicz's supervisory responsibilities he will review all transactions, review all correspondence prior to mailing, review all new account paperwork, oversee all marketing/advertising matters conduct annual compliance meetings, review client performance reports and client position reports, review outside business activities and gift and gratuity reports, and review any complaints that may be received.

Robert Hapanowicz can be contacted at (412) 261-5966.

Information Required by Part 2B of Form ADV: Brochure Supplement – Robert S. Gibb, III

**Hapanowicz and Associates Financial Services, Inc.
doing business as H&A Wealth Advisors and H&A Retirement Advisors
301 Grant Street, Suite 300
Pittsburgh, PA 15219
(412)261-5966**

Date of Brochure: March 2013

Item 1 – Cover Page

This brochure supplement provides information about Robert S. Gibb, III that supplements the information previously provided in this brochure. Please contact Robert S. Gibb, III at (412) 261-5966 and/or rgibb@hanaowicz-associates.com if you have any questions about the contents of this supplement.

Additional information about Mr. Gibb is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Educational Background and Business Experience

Robert S. Gibb III, Born 1956

Education Background:

Washington and Lee University, Lexington VA, Bachelor's Degree, Business, 1979
University of Pittsburgh, Pittsburgh, PA, Master's Degree, Public Affairs, 1981

Business Background:

Hapanowicz and Associates Financial Services, Representative, 05/1997 to Present
Investment Adviser Representative 05/2011 to Present
LPL Financial, Inc. Registered Representative, 06/2011 to Present
Securities America Advisors, Inc. Investment Advisor Representative, 05/1997 to 05/2011
Securities America, Inc. Registered Representative, 05/1997 to 05/2011

Item 3 – Disciplinary Information

Mr. Gibb has no legal or disciplinary events to report.

Item 4 – Other Business Activities

Mr. Gibb is a registered representative with LPL Financial and an independent insurance agent. Please refer to the previous disclosures at *Item 10 – Other Financial Industry Activities and Affiliations* for details.

Item 5 – Additional Compensation

In addition to receiving a regular salary plus a bonus incentive plan from Hapanowicz and Associates Financial Services, Inc., Robert S. Gibb III can earn additional compensation in connection with providing investment advice. Please refer to the previous disclosures at *Item 5 – Fees and Compensation*, *Item 10 – Other Financial Industry Activities and Affiliations*, and *Item 14 – Client Referrals and Other Compensation* for details.

Item 6 – Supervision

Robert E. Hapanowicz is the President and Chief Compliance Officer of Hapanowicz and Associates, Inc. and ultimately responsible for supervising activities and services provided by the firm. As a part of Mr. Hapanowicz's supervisory responsibilities he will review all transactions, review all correspondence prior to mailing, review all new account paperwork, oversee all marketing/advertising matters conduct annual compliance meetings, review client performance reports and client position reports, review outside business activities and gift and gratuity reports, and review any complaints that may be received.

Robert Hapanowicz can be contacted at (412) 261-5966.

Information Required by Part 2B of Form ADV: Brochure Supplement – Carey A. Droznek

Item 1 – Cover Page

**Hapanowicz and Associates Financial Services, Inc.
doing business as H&A Wealth Advisors and H&A Retirement Advisors
301 Grant Street, Suite 300
Pittsburgh, PA 15219
(412)261-5966**

Date of Brochure: March 2013

This brochure supplement provides information about Carey A. Droznek that supplements the information previously provided in this brochure. Please contact Carey A. Droznek at (412) 261-5966 and/or cdroznek@hapanowicz-associates.com if you have any questions about the contents of this supplement.

Additional information about Ms. Droznek is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Educational Background and Business Experience

Carey A. Droznek, Born 1981

Education Background:

University of Akron, Akron, OH, Bachelor's Degree, Business Administration, 2004

Business Background:

Hapanowicz and Associates Financial Services, Representative, 08/2010 to Present,
Investment Advisor Representative 06/2011 to Present
LPL Financial, Inc. Registered Representative, 06/2011 to Present
Securities America Advisors, Inc. Investment Advisor Representative, 08/2010 to 05/2011
Securities America, Inc. Registered Representative, 08/2010 to 05/2011
UBS FINANCIAL Services, Investment Associates 03/2007 to 7/2010

Item 3 – Disciplinary Information

Ms. Droznek has no legal or disciplinary events to report.

Item 4 – Other Business Activities

Carey A. Droznek is a registered representative with LPL Financial. Please refer to the previous disclosures at *Item 10 – Other Financial Industry Activities and Affiliations* for details.

Item 5 – Additional Compensation

In addition to receiving a regular salary plus a bonus incentive plan from Hapanowicz and Associates Financial Services, Inc., Carey A. Droznek can earn additional compensation in connection with providing investment advice. Please refer to the previous disclosures at *Item 5 – Fees and Compensation*, *Item 10 – Other Financial Industry Activities and Affiliations*, and *Item 14 – Client Referrals and Other Compensation* for details.

Item 6 – Supervision

Robert E. Hapanowicz is the President and Chief Compliance Officer of Hapanowicz and Associates, Inc. and ultimately responsible for supervising activities and services provided by the firm. As a part of Mr. Hapanowicz's supervisory responsibilities he will review all transactions, review all correspondence prior to mailing, review all new account paperwork, oversee all marketing/advertising matters conduct annual compliance meetings, review client performance reports and client position reports, review outside business activities and gift and gratuity reports, and review any complaints that may be received.

Robert Hapanowicz can be contacted at (412) 261-5966.