

**Item 1 – Cover Page**

**Part 2A Appendix 1  
Wrap Fee Program Brochure**

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This Wrap Fee Program Brochure provides information about the qualifications and business practices of Alpern Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact Vito Cedro at 412-224-2235 or [vcedro@alpernwm.com](mailto:vcedro@alpernwm.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Alpern Wealth Management, LLC is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view the firm's information on this website by searching for Alpern Wealth Management, LLC or the firm's CRD number: 165268.

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

## **Item 2 – Material Changes**

This Item 2 describes material changes made to this Alpern Wealth Management WRAP Fee Program Brochure. Alpern Wealth Management, LLC filed its last annual amendment filed in March 2013. Since this filing there have been no material changes to the Alpern Wealth Management WRAP Program Brochure.

Alpern Wealth Management, LLC will ensure that you receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after the firm's fiscal year ends. The firm's fiscal year ends on December 31, so you will receive the summary of material changes no later than April 30 each year. At that time we will also offer or provide 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 – Services, Fees and Compensation**

Alpern Wealth Management, LLC (“Advisor” or “we”) is an investment adviser registered with the United States Securities and Exchange Commission (“SEC”) and is a limited liability company formed under the laws of the State of Pennsylvania.

Advisor offers asset management services through a wrap fee management program. In our wrap fee management program, clients may elect to pay expenses under a “traditional” payment option or a “wrap fee” option. With a traditional option, advisory services are provided for a fee but transaction services are billed separately on a per-transaction basis. With a wrap fee (or bundled) option, advisory services (including asset management) and transaction cost (including ticket charges) are provided for one fee. Our Alpern Advisory Program is considered a wrap fee program. Whenever a fee is charged for services described in this Wrap Fee Program Brochure, we receive all or a portion of the fee charged.

When making the determination of whether one of the advisory programs available through Advisor is appropriate for your needs, you should bear in mind that fee-based accounts, when compared with commission-based accounts, often result in lower costs during periods when trading activity is heavier, such as the year an account is established. However, during periods when trading activity is lower, the fee-based account arrangements may result in a higher annual cost for transactions. Thus, depending on a number of factors, the total cost for transactions under a fee account versus a commission account can vary significantly. Factors which affect the total cost include account size, amount of turnover, type and quantities of securities purchased or sold, commission rates and your tax situation. It should also be noted that lower fees for comparable service may be available from other sources. The exact fees and other terms will be outlined in the agreement between you and Advisor.

You should discuss the advantages and disadvantages of fee-based and commission-based accounts with your adviser representative and you should read this Wrap Fee Disclosure Brochure carefully as it explains, in detail, the Alpern Advisory Program.

#### ***Alpern Advisory Program***

We offer asset management services which involves us providing you with continuous and ongoing supervision over your accounts. We are the sponsor of the Alpern Advisory Program (“Alpern Program”), a wrap fee program developed through an arrangement using LPL Financial Corporation’s (“LPL”) Strategic Wealth Management platform. Your account will be managed by Advisor based on your financial situation, investment objectives and risk tolerance. We actively monitor your account and make management recommendations and decisions regarding buying, selling, reinvesting or holding securities, cash or other investments.

Alpern Program accounts are custodied at LPL in its capacity as a registered broker/dealer, member FINRA/SIPC. You are required to enter into a custodial/clearing agreement with LPL as well as an agreement for advisory services with Advisor. LPL is also an investment advisor registered with the SEC, but does not serve as an investment advisor for you through the Alpern Program. LPL provides clearing, custody and other brokerage services for accounts established through the Alpern Program. Therefore, you are required to establish a brokerage account(s) through LPL’s Strategic Wealth Management platform.

Your account consists only of separate account(s) held by the qualified custodian under your name. Advisor does not act as custodian and does not have direct access to your funds and securities except to have advisory fees deducted from your account with your prior written authorization. The qualified custodian maintains physical custody of all funds and securities of your account, and you retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) for your account.

We need to obtain certain information from you to determine your financial situation and investment objectives. You are responsible for notifying us of any updates regarding your financial situation, risk tolerance or investment objective and whether you wish to impose or modify existing investment restrictions; however we contact you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance or investment objectives. We are always reasonably available to consult with you relative to the status of your account.

You have the ability to impose reasonable restrictions on the management of your accounts, including the ability to instruct us not to purchase certain securities.

You authorize Advisor to have trading authorization on your account and we provide asset management services on a discretionary basis. This means we make all decisions to buy, sell or hold securities, cash or other investments in your managed account in our sole discretion without consulting with you before making any transactions. You must provide us with written authorization to exercise this discretionary authority, and you can place reasonable restrictions and limitations on our discretionary authority.

It is important that you understand that we manage investments for other clients and may give them advice or take actions for them or for our personal accounts that is different from the advice we provide to you or actions taken for you. We are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts.

Conflicts may arise in the allocation of investment opportunities among accounts that we manage. We strive to allocate investment opportunities believed to be appropriate for your account(s) and other accounts advised by our firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client's benefit.

Our annual investment advisory fee may be a flat annual fee or may be charged based upon the value of your assets under management. If the annual investment advisory fee will be a flat annual fee, one quarter of the flat annual fee will be charged to you at the beginning of each calendar quarter. Accounts created mid-quarter are charged a prorated fee for the initial quarter based on the number of days services will be provided during that initial quarter. The prorated fee for the initial quarter will be due at the time the advisory services agreement is executed or at Advisor's discretion, Advisor may charge the initial partial quarter's prorated fee at the same time the first full quarter's fee is charged.

If the annual investment advisory fee will be charged based upon the value of your assets under management, the fee charged varies between 0.50% - 1.75% of the assets held in the account and is negotiable based on the investment advisor representative providing the services, the type of client, the complexity of the client's situation, the composition of the client's account, the relationship of the client with Advisor or the investment advisor relationship and other advisory services provided to the client. The

annual percentage-based fee is paid quarterly in advance and calculated based on the fair market value of the account on the last day of the previous quarter. Accounts created mid-quarter are prorated based on the number of days services are provided and billed in arrears at the same time as the next full quarter is billed.

Advisory fees can be deducted from your account or billed directly to you. If you choose to have fees deducted from your account, you must authorize the qualified custodian to deduct fees from your account and pay the fees directly to Advisor. You should review your account statements received from the qualified custodian and verify that appropriate investment advisory fees are being deducted. The qualified custodian does not verify the accuracy of the investment advisory fees deducted. If you choose to have fees billed directly to you, they are due upon receiving our billing notice. The billing notice details the formula used to calculate the fee, the assets under management and the time period covered. Fees for the services of our firm are due immediately after your receipt of the billing notice.

You can open an Alpern Program I or an Alpern Program II account. An Alpern Program I account is a non-wrap or traditional account. This means in addition to our investment advisory fee, you also 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. The Alpern Program II account is a wrap fee account, meaning you do not pay transaction charges associated with trade execution. There is a minimum account size of \$100,000 to establish an equity account and \$250,000 to establish a fixed income account. However, exceptions may be granted to these minimums if the initial deposit is close to the required minimum or if additional deposits are anticipated. In addition, clients can aggregate household accounts to reach the required minimum.

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, 12b-1 fees and surrender charges, and IRA and qualified retirement plan fees. The management fees charged by us (which include transaction and execution fees charged by LPL for Alpern Program I accounts) are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses are available in each investment company security's prospectus. Our representatives, in their separate capacity as registered representatives of LPL, may retain a portion of the commissions charged to you. These commissions may include 12b-1 fees, surrender charges and IRA and qualified retirement plan fees.

The Alpern Program I and Alpern Program II may cost you more or less than if the assets were held in a traditional brokerage account. In a brokerage account, you are charged commissions for each transaction, and the representative has no duty to provide ongoing advice with respect to the account. If you plan to follow a buy and hold investment strategy for the account or do not wish to purchase ongoing investment advice or management services, you should consider opening a brokerage account rather than an Alpern Program I or Alpern Program II account.

We do not always charge a lower advisory fee for Alpern Program I accounts versus Alpern Program II accounts. The cost for an Alpern II Program account can be higher than an Alpern I Program. This is because transaction costs are passed along to you in Alpern Program I accounts while the transaction costs are covered under the overall fee charged for Alpern Program II accounts.

The only compensation Advisor receives for asset management services is the annual fee specified in the client agreement for services. Advisor receives no other forms of compensation in connection with providing asset management services. Advisor believes that its annual fee is reasonable in relation to

services provided and the fees charged by other investment advisers offering similar services/programs. However, our annual investment advisory fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to our compensation, you may also incur charges imposed at the mutual fund level (e.g., advisory fees and other fund expenses).

During any month that there is activity in the Alpern Program account, you receive a monthly account statement from LPL showing account activity as well as positions held in the account at month end. Additionally, you receive a confirmation of each transaction that occurs within the Alpern Program account unless the transaction is the result of a systematic purchase, redemption or exchange. You also receive a detailed quarterly report showing performance, positions and activity. All account data and statements are also available on-line through the account view portal through LPL. You should review your account statements received from the qualified custodian and verify that appropriate investment advisory fees are being deducted. The qualified custodian does not verify the accuracy of the investment advisory fees deducted.

Alpern Program services continue in effect until terminated by either party by providing written notice to the other party. Fees are prorated based on the number of days services are actually provided during the final quarter and any prepaid, unearned fees are promptly refunded to you.

### ***Block Trading***

We may elect to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by our firm when we believe such action may prove advantageous to clients. If and when we aggregate client orders, allocating securities among client accounts is done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently.

Advisor uses the average price allocation method for transaction allocation. Under this procedure Advisor calculates the average price and transaction charges for each transaction included in a block order and assigns the average price and transaction charge to each allocated transaction executed for the client's account.

If and when we determine to aggregate client orders for the purchase or sale of securities, including securities in which Advisor or our associated persons may invest, we do so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* Neither we nor our associated persons receive any additional compensation as a result of block trades.

### ***Suitability and Investment Strategy***

Advisor assists clients in determining their objective(s), investment strategy and investment suitability, prior and subsequent to opening an asset management account. Clients must contact us to notify us of any changes in their investment objective(s) and/or financial situation. Investment strategies used to implement investment advice include, but are not necessarily limited to, long term purchases (investments held at least a year), short term purchases (investments sold within a year), frequent trading, margin transactions and option writing (including cover options, uncovered options or spreading strategies).

### ***Additional Compensation, Economic and Non-Economic Benefits***

Our representatives are also registered representatives of LPL Financial Services ("LPL"), a securities broker/dealer. You may work with your investment adviser representative in his or her separate capacity as a registered representative of LPL. When acting in this separate capacity, your investment adviser representative may sell to you, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds and variable annuity and variable life products. As such, your investment adviser representative may suggest that you implement investment advice by purchasing securities products through a commission-based brokerage account in addition to or in lieu of a fee-based investment-advisory account. Receiving commissions creates an incentive to recommend those products for which your representative will receive a commission in the separate capacity as a registered representative. Consequently, the objectivity of the advice rendered to you could be biased.

You are under no obligation to use the services of our representatives in this separate capacity or to use LPL and can select any broker/dealer you wish to implement securities transactions. If you select our representatives to implement securities transactions in their separate capacity as registered representatives, they must use LPL. Prior to effecting any such transactions, you are required to enter into a new account agreement with LPL. The 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 you maintain the mutual fund investment.

## **Item 5 – Account Requirements and Types of Clients**

### ***Minimum Account Size***

There is a minimum account value of \$100,000 for equity based managed accounts and a minimum of \$250,000 for fixed income managed accounts. However, exceptions may be granted to these minimums if the initial deposit is close to the required minimum or if additional deposits are anticipated. In addition, clients can aggregate household accounts to reach the required minimum.

### ***Types of Accounts***

Advisor generally provides investment advice to the following types of clients:

- Individuals (including high net worth individuals)
- Pension and profit sharing plans
- Trusts, estates, or charitable organizations
- Corporations or business entities other than those listed above

You are required to execute a written agreement with Advisor specifying the particular advisory services in order to establish a client arrangement with Advisor.

## **Item 6 – Portfolio Manager Selection and Evaluation**

Advisor and its investment adviser representatives act as the portfolio manager(s) for accounts receiving our Alpern Advisory Program services. Our asset management service is considered a wrap fee



program. For this service, we do not allow the use of portfolio managers that are not associated with Advisor. In other words, the only portfolio managers selected for managing client assets for the Alpern Advisory Program Services are investment adviser representatives of Advisor. Therefore, conflicts of interest present in other wrap fee programs that make available both affiliated and unaffiliated portfolio managers are not present in our wrap fee program. Because the Alpern Advisory Program does not provide for outside portfolio managers, we do not have procedures designed to select outside portfolio managers.

### ***Participation in Wrap Fee Programs***

Advisor offers asset management services through our Alpern Advisory Program which is a wrap fee management program. In this program, you may elect to pay expenses under a “traditional” payment option or a “wrap fee” option. Under the traditional option, advisory services are provided for a fee but transaction services are billed separately on a per-transaction basis. Under a “wrap fee” option, advisory services (including portfolio management or advice regarding selecting other investment advisers) and transaction services are provided for one fee. Our Alpern Advisory Program is considered a wrap fee program. Whenever a fee is charged to a client for services described in this Wrap Fee Program Brochure, we receive all of a portion of the fee charged.

From a management perspective, there is not a fundamental difference in the way we manage accounts that have elected the traditional payment option versus those that have elected the bundled wrap fee payment option. The only significant difference is the way in which transaction costs are paid.

### ***General Description of Other Advisory Services***

The following are descriptions of the primary advisory services of Advisor. A written agreement detailing the exact terms of the service must be signed by you and Advisor before we can provide you the services described below.

### **Financial Planning & Consulting Services**

When providing financial planning and consulting services, the role of your investment adviser representative is to find ways to help you understand your overall financial situation and help you set financial objectives. Our financial planning and consulting services do not involve implementing any transaction on your behalf or the active and ongoing monitoring or management of your investments or accounts. You have sole responsibility for determining whether to implement our financial planning and consulting recommendations. To the extent that you would like to implement any of our investment recommendations through Advisor or retain Advisor to actively monitor and manage your investments, you must execute a separate written agreement with Advisor for our asset management services.

Advisor offers financial planning services, which involve preparing a written financial plan covering specific or multiple topics. We provide full written financial plans, which typically address the following topics: investment planning, retirement planning, insurance planning, tax planning, education planning, portfolios review, asset allocation and real estate planning. We also provide modular written financial plans which only cover those specific areas of concern mutually agreed upon by you and us. A modular written financial plan is limited or segmented and does not involve the creation of a full written financial plan. You should be aware that there are important issues that may not be taken into consideration when your investment adviser representative develops his or her analysis and recommendations under a

modular written financial plan. Written financial plans prepared by us under this Agreement do not include specific recommendations of individual securities.

We also offer consultations in order to discuss financial planning issues when you do not need a written financial plan. We offer one-time consultations, which cover mutually agreed upon areas of concern related to investments or financial planning. We also offer “as-needed” consultations, which are limited to consultations in response to a particular investment or financial planning issue raised or request made by you. Under an “as-needed” consultation, you need to identify those particular issues for which you are seeking our advice.

In addition to these services, we offer ongoing advisement consultations to participants in retirement plans (401(k) plans, profit sharing plans, etc.). When providing these services, we review your financial situation, goals and objectives as well as the investment options available in the retirement plan. We review your retirement plan account at intervals (i.e., one time, quarterly, year long) and make recommendations from the list of available investment options in your retirement plan account as are deemed appropriate and consistent with your stated investment objectives and risk tolerance. These services do not constitute asset management services for your retirement plan account. We do not have investment discretion or trading authority over your retirement plan account. You determine whether or not to implement our advice. It is your responsibility to implement any trades in your retirement plan account.

### **Referral of Third-Party Money Managers**

Advisor offers advisory services by referring clients to a third party money manager offering asset management and other investment advisory services. The third party managers are responsible for continuously monitoring client accounts and making trades in client accounts when necessary. As a result of the referral, we are paid a portion of the fee charged and collected by the third party money managers in the form of solicitor fees. Each solicitation arrangement is performed pursuant to a written solicitation agreement and is in compliance with SEC Rule 206(4)-3 and applicable state securities rules and regulations.

We assist you with identifying your risk tolerance and investment objectives and recommend third party money managers in relation to your stated investment objectives and risk tolerance. You may select a recommended third party money manager or model portfolio based upon your needs. You must enter into an agreement directly with the third-party money manager who provides your designated account with asset management services.

We are available to answer questions that you may have regarding your account and act as the communication conduit between you and the third party money manager. The third party money manager may take discretionary authority to determine the securities to be purchased and sold for your account. We do not have any trading authority with respect to your designated account managed by the third party money manager.

Although we review the performance of numerous third-party investment adviser firms, we enter into only a select number of relationships with third-party investment adviser firms that have agreed to pay us a portion of the overall fee charged to our clients. Therefore, Advisor has a conflict of interest in that it only recommends third-party investment advisors that agree to compensate us for referrals of our clients.

Clients are advised that there may be other third party managed programs not recommended by our firm that are suitable for the client and that may be more or less costly than arrangements recommended by our firm. No guarantees can be made that a client's financial goals or objectives will be achieved by a third-party investment adviser recommended by our firm. Further, no guarantees of performance can ever be offered by our firm.

## **Retirement Plan Consulting Services**

Advisor 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 fiduciary and non-fiduciary services:

### Fiduciary Services

- Investment Policy Statement. Advisor helps you develop an investment policy statement. The investment policy statement establishes the investment policies and objectives for the plan. You have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the investment policy statement.
- Investment Selection Services. Advisor provides you with recommendations of investment options consistent with ERISA Section 404(c).
- Investment Monitoring. Advisor assists 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 makes recommendations to maintain or remove and replace investment options.
- Non-Discretionary Investment Advice, Investment Due Diligence Review, Advice regarding Default Investment Alternatives, Individualized Participant Advice.

### Non-Fiduciary Services

The exact services provided to a client will be listed and detailed in the client agreement for services.

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 Advisor and then physically make changes to the plan itself.

In the event a client contracts with Advisor for one-on-one consulting services with plan participants, such services are consultative in nature and do not involve Advisor 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 Advisor does not serve as administrator or trustee of the plan. Advisor 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.

Advisor will disclose to you, to the extent required by ERISA Regulation Section 2550.408b-2(c), 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 client 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.

### **Newsletters**

Advisor occasionally prepares general, educational and informational newsletters. Newsletters are always offered on an impersonal basis and do not focus on the needs of a specific individual.

### **Seminars and Workshops**

Advisor may occasionally provide seminars in areas such as financial planning, retirement planning, estate planning, college planning and charitable planning. Seminars are always offered on an impersonal basis and do not focus on the individual needs of participants.

Advisor may also offer educational, informative and motivational workshops to the public as well as to associations, family foundations and employers. Workshops are always offered on an impersonal basis and do not focus on the individual needs of the participants.

### **Data Aggregation Services**

Advisor utilizes web-based financial and wealth planning systems for certain of its clients. Clients can select from a variety of available programs, including:

- Planning Center (allowing unlimited scenario planning);
- Retirement Income Tool;
- Vault (storage for client documents such as wills, insurance policies, etc.);
- Financial Connections (allowing aggregation of multiple accounts with daily updating of linked accounts); and
- Alerts to upcoming deadlines and important events.

To use the systems, you are required to provide us the information and documentation to be downloaded and/or input into the system. You are provided with a unique username and password and are able to monitor your portfolio performance, view balances, run “what if” scenarios, and store/view important papers and documents.

### **Limits Advice to Certain Types of Investments**

Advisor provides investment advice on the following types of investments:

- Mutual Funds
- Exchange-listed Securities
- Securities Traded Over-the-Counter
- Foreign Issues
- Warrants
- Corporate Debt Securities
- Commercial Paper
- Certificates of Deposit
- Municipal Securities
- Variable Annuities
- Variable Life Insurance
- US Government Securities
- Options Contracts on Securities
- Options Contracts on Commodities
- Futures Contracts on Tangibles
- Futures Contracts on Intangibles
- Interests in Partnerships Investing in Real Estate
- Interests in Partnerships Investing in Oil and Gas Interests
- Interests in Partnerships in Equipment Leasing and Business Development Companies

Although we generally provide advice only on the products previously listed, we reserve the right to offer advice on any investment product that may be suitable for each client’s specific circumstances, needs, goals and objectives.

It is not our typical investment strategy to attempt to time the market, but we may increase cash holdings modestly as deemed appropriate based on your risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

### **Tailor Advisory Services to Individual Needs of Clients**

Advisor’s advisory services are always provided based on your individual needs. This means, for example, that when we provide asset management services, you are given the ability to impose restrictions on the accounts we manage for you, including 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.

We will not enter into an investment adviser relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

### **Performance-Based Fees and Side-By-Side Management**

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. We do not charge or accept performance-based fees.

### **Methods of Analysis**

Advisor uses the following methods of analysis in formulating investment advice:

Cyclical – This method 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 in 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.

While most economists and investors agree that there are cycles in the economy that need to be respected, the duration of such cycles is generally unknown. An investment decision to buy at the bottom of a business cycle may actually turn out to be a trade that occurs before or after the bottom of the cycle. If done before the bottom, then downside price action can result prior to any gains. If done after the bottom, then some upside price action may be missed. Similarly, a sell decision meant to occur at the top of a cycle may result in missed opportunity or unrealized losses.

Fundamental – This is 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 a company). 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). Fundamental 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.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong, and could therefore lead to an unfavorable investment decision.

Technical – This is 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.

Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly, since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

There are risks involved in using any analysis method.

To conduct analysis, Advisor gathers information from financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses and filings with the SEC, and company press releases.

### **Investment Strategies**

Advisor uses the following investment strategies when managing client assets and/or providing investment advice:

- Long term purchases (investments held at least a year)
- Short term purchases (investments sold within a year)
- Frequent trading (the practice of selling investments within 30 days of purchase)
- Margin transactions. When an investor buys a stock on margin, the investor pays for part of the purchase and borrows the rest of the purchase price from a brokerage firm. For example, an investor may buy \$5,000 worth of stock in a margin account by paying for \$2,500 and borrowing \$2,500 from a brokerage firm. Clients cannot borrow stock from Advisor.
- Option writing including cover options, uncovered options or spreading strategies. Options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time.
- Tactical asset allocation. Allows for a range of percentages in each asset class (such as stocks = 40-50%). The ranges establish 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.

## **Risk of Loss**

Past performance is not indicative of future results. Therefore, 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, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You 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 with investing in securities through our investment management program, as described below:

- 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 the 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 investing in a an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF’s 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. You will also incur brokerage costs when purchasing ETFs.

- **Management Risk** – 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 produce the expected returns, the value of the investment will decrease.
- **Margin Risk** - When you purchase securities, you may pay for the securities in full or borrow part of the purchase price from your account custodian or clearing firm. If you intended to borrow funds in connection with your Account, you will be required to open a margin account, which will be carried by the clearing firm. The securities purchased in such an account are the clearing firm's collateral for its loan to you.

If those securities in a margin account decline in value, the value of the collateral supporting this loan also declines, and as a result, the brokerage firm is required to take action in order to maintain the necessary level of equity in your account. The brokerage firm may issue a margin call and/or sell other assets in your account.

It is important that you fully understand the risks involved in trading securities on margin, which are applicable to any margin account that you may maintain, including any margin account that may be established as part of the Asset Management Agreement established between you and Advisor and held by the account custodian or clearing firm.

These risks include the following:

- You can lose more funds than you deposit in your margin account.
- The account custodian or clearing firm can force the sale of securities or other assets in your account.
- The account custodian or clearing firm can sell your securities or other assets without contacting you.
- You are not entitled to choose which securities or other assets in your margin account may be liquidated or sold to meet a margin call.
- The account custodian or clearing firm may move securities held in your cash account to your margin account and pledge the transferred securities.
- The account custodian or clearing firm can increase its "house" maintenance margin requirements at any time and they are not required to provide you advance written notice.
- You are not entitled to an extension of time on a margin call.

### **Voting Client Securities**

Advisor does not vote proxies on behalf of clients. You receive proxies directly from the qualified custodian or transfer agent; we do not provide you with the proxies. You are encouraged to read through the information provided with the proxy-voting documents and make a determination based on the information provided. Although we do not vote client proxies, if you have a question about a particular proxy feel free to contact us. However, you have the ultimate responsibility for making all proxy-voting decisions.

With respect to assets managed by a third party money manager, we do not vote the proxies associated with these assets. You need to refer to each third party money manager's disclosure brochure to determine whether the third party money manager will vote proxies on your behalf. You may request a complete copy of the third party money manager's proxy voting policies and procedures as well as information on how your proxies were voted by contacting the third party money manager or by contacting Advisor at the address or phone number indicated on the cover page of this disclosure document.

#### **Item 7 – Client Information Provided to Portfolio Managers**

Only investment adviser representatives of Advisor serve as portfolio managers for the Alpern Advisory Program. Our associated investment adviser representatives are responsible for gathering all information provided by you. We interview and work with you to gather all information needed relative to your investment objectives and needs in order to provide management services through the Alpern Advisory Program. You are responsible for promptly contacting your investment adviser representative to notify us of any changes to your financial situation that will impact or materially influence the way we manage your accounts. Since we do not use any outside portfolio managers, we do not share your information with any outside portfolio managers.

#### **Item 8 - Client Contact with Portfolio Managers**

Only Advisor's investment adviser representatives serve as portfolio managers for the Alpern Advisory Program. There are no restrictions placed on your ability to contact and consult with their portfolio managers. It is Advisor's policy to provide for open communications between the investment adviser representatives and clients. You are encouraged to contact your investment adviser representative whenever you have questions about the management of your account(s).

#### **Item 9 - Additional Information**

##### **Disciplinary Information**

We have no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or the integrity of our management.

##### **Other Financial Industry Activities and Affiliations**

Advisor is not and does not have a related person that is:

- A broker/dealer, municipal securities dealer, government securities dealer or broker
- An 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)
- Another investment adviser or financial planner
- A futures commission merchant, commodity pool operator, or commodity trading advisor
- A banking or thrift institution
- A lawyer or law firm
- An insurance company or agency

- A pension consultant
- A real estate broker or dealer
- A sponsor or syndicator of limited partnerships.

We are an independent registered investment registered adviser and only provide investment advisory services. We are not engaged in any other business activities and offer no other services except those described in this disclosure brochure. However, while we do not sell products or services other than investment advice, our representatives may sell other products or provide services outside of their role as investment adviser representatives with us.

### ***Registered Representative of a Broker/Dealer***

Our representatives are also registered representatives of LPL Financial Services ("LPL"), a securities broker/dealer. You may work with your investment adviser representative in his or her separate capacity as a registered representative of LPL. When acting in this separate capacity, your investment adviser representative may sell to you, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds and variable annuity and variable life products. As such, your representative may suggest that you implement investment advice by purchasing securities products through a commission-based brokerage account in addition to or in lieu of a fee-based investment advisory account. Receiving commissions creates an incentive to recommend those products for which your investment adviser representative can earn a commission in the separate capacity of a registered representative. Consequently, the objectivity of the advice rendered to you could be biased.

You are under no obligation to use the services of our representatives in this separate capacity or to use LPL and can select any broker/dealer you wish to implement securities transactions. If you select our representatives to implement securities transactions in their separate capacity as registered representatives, they must use LPL. Prior to effecting any such transactions, you are required to enter into a new account agreement with LPL. The 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 you maintain the mutual fund investment.

### ***Third-Party Money Managers***

As previously described in **Item 6**, Advisor may use the services of independent, third party money managers. We do not recommend third party money managers unless they are registered or are exempt from registration as investment advisors in your state of residence. Once you select the third party money manager to manage all or a portion of your assets, that manager will pay us a portion of the fees you are charged. Please refer to **Item 6** and Advisor's Form ADV Part 2A for full details regarding the programs, fees, conflicts of interest and materials arrangements when Advisor selects other investment advisers.

### ***Insurance Agent***

You may also work with your investment adviser representative in his or her separate capacity as an insurance agent. When acting in this separate capacity, the representative may sell to you, for commissions, general disability insurance, life insurance, annuities, and other insurance products. As such, your representative may suggest that you implement Advisor's recommendations by purchasing disability insurance, life insurance, annuities, or other insurance products. Receiving commissions creates an incentive for the representative to recommend those products for which your investment adviser

representative can receive a commission in his or her separate capacity as an insurance agent. Consequently, the advice rendered to you could be biased. You are under no obligation to implement any insurance or annuity transaction through your investment adviser representative.

### **Accounting Services**

Advisor is wholly owned by Alpern Rosenthal Financial Services, LLC ("LLC"). The owners of LLC are also accountants with Alpern Rosenthal ("CPA"), a certified public accounting firm. In addition, some of the LLC owners and CPA accountants are also investment adviser representatives of Advisor. Thus, Advisor and CPA are related entities.

CPA may refer clients to Advisor for advisory services. There is no direct fee paid to any of the CPA accountants for referrals made to Advisor. However, as owners of the LLC (and therefore indirect owners of Advisor), they receive a portion of any profits Advisor may earn.

We may refer clients to CPA for accounting services although clients are under no obligation to use CPA. If the client elects to use CPA for accounting services, the fees charged for account work will be separate from the fees charged for advisory services provided by Advisor.

### **Interest in Client Transactions and Code of Ethics**

According to the *Investment Advisers Act of 1940*, an investment adviser is considered a fiduciary and has a fiduciary duty to all clients. Advisor has established a Code of Ethics to comply with the requirements of Section 204(A)-1 of the *Investment Advisers Act of 1940* that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. The Code of Ethics covers all individuals that are classified as "supervised persons". All employees, officers, directors and investment adviser representatives are classified as supervised persons. Advisor requires its supervised persons to consistently act in your best interest in all advisory activities. Advisor imposes certain requirements on its affiliates and supervised persons to ensure that they meet the firm's fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of Advisor. If current or prospective clients wish to review our Code of Ethics in its entirety, a copy may be requested from any representative and will be provided promptly.

### **Affiliate and Employee Personal Securities Transactions Disclosure**

Advisor or its associated persons may buy or sell, for their personal accounts, investment products identical to those recommended to clients. This creates a potential conflict of interest. It is the express policy of Advisor that all persons associated in any manner with our firm must place clients' interests ahead of their own when implementing personal investments. Advisor and its associated persons will 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 employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry.

We are now and will continue to be in compliance with applicable state and federal rules and regulations. To prevent conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family members (collectively, associated persons):

- Associated persons cannot prefer their own interests to that of the client.
- Associated persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts.
- Associated persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry.
- Associated persons are prohibited from purchasing or selling securities of companies in which any client is deemed an "insider".
- Associated persons are discouraged from conducting frequent personal trading.
- Associated persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted to the Chief Compliance Officer of Advisor.

Any associated person not observing our policies is subject to sanctions up to and including termination.

### **Account Reviews**

Managed accounts are reviewed at least quarterly. Financial planning services terminate upon the presentation of the written plan or completion of the consultation unless ongoing services are contracted for. However, we recommend that clients have their financial situation reviewed at least annually. If clients elect this review, a new client agreement is required and additional fees may be charged. Accounts at third party money managers are reviewed at least quarterly, usually when copies of statements are received from the account manager.

While the calendar is the main triggering factor, reviews can also be conducted at client request, a change in client circumstances and unusual market activity or economic conditions. Accounts are reviewed for accuracy of holdings and to ensure that portfolios continue to work towards client goals and objectives. Account reviews are conducted by Adam G. Yofan, Arthur P. Colamarino and Vito Cedro.

### **Account Statements and Reports**

Managed accounts receive transaction confirmation notices and regular quarterly account statements directly from the qualified custodian. Financial planning clients do not receive any report other than the written plan originally contracted for and provided by Advisor. Whether reports by an outside money manager are provided to you depend upon the outside money manager.

Additionally, Advisor may provide position or performance reports upon client request.

You are encouraged to always compare any reports or statements provided by us, a sub-adviser or third party money manager against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact our firm and the qualified custodian preparing the statement.

### **Client Referrals**

Please see **Accounting Services** under **Item 9** for additional discussion about our affiliation with the accounting firm of Alpern Rosenthal. Some of our representatives are also accountants and partners of Alpern Rosenthal and engaged in the practice of accounting as certified public accountants. In addition, some of our representatives are also indirect owners of Advisor by virtue of their holdings in Alpern

Rosenthal Financial Services, LLC, the sole owner of Advisor. Thus, Advisor and Alpern Rosenthal are related entities.

Clients of Alpern Rosenthal may be referred to us for advisory services and we may refer advisory clients to Alpern Rosenthal for accounting services. You are under no obligation to use our services or the services of Alpern Rosenthal. While the accountant partners of Alpern Rosenthal are not paid a direct fee based on the actual referrals made to us, they benefit by the referral arrangement because of their holdings in Advisor's sole owner. Because of this indirect ownership, both Advisor and the accountant partners of Alpern Rosenthal have an incentive to recommend each other to clients before recommending other accounting and financial firms. This creates a conflict of interest.

In addition, from time to time Advisor may 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 which sales have been made or for which 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.

### **Financial Information**

Advisor does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.

### **Class Action Lawsuits**

You retain the right under applicable securities laws to initiate individually a lawsuit or join a class-action lawsuit against the issuer of a security that was held, purchased or sold by or for you. Advisor does not initiate such a legal proceeding on behalf of clients and does not provide legal advice to clients regarding potential causes of action against such a security issuer and whether the client should join a class-action lawsuit. We recommend that you seek legal counsel prior to making a decision regarding whether to participate in such a class-action lawsuit. Upon your specific instruction, we may provide assistance to you regarding an investment history related to the security underlying the individual, or class-action, lawsuit and may provide assistance with the completion of this portion of certain class-action paperwork. At no time should such assistance be deemed as a substitute for consulting with legal counsel.

### **Business Continuity Plan**

Advisor has a business continuity and contingency plan in place designed to respond to significant business disruptions. These disruptions can be both internal and external. Internal disruptions will impact our ability to communicate and do business, such as a fire in the office building. External

disruptions will prevent the operation of the securities markets or the operations of a number of firms, such as earthquakes, wildfires, hurricanes, terrorist attack or other wide-scale, regional disruptions. Our continuity and contingency plan has been developed to safeguard employees' lives and firm property, to allow a method of making financial and operational assessments, to quickly recover and resume business operations, to protect books and records, and to allow clients to continue transacting business.

The plan includes the following:

- Alternate locations to conduct business;
- Hard and electronic back-ups of records;
- Alternative means of communicating with employees, clients, critical business constituents and regulators; and
- Details on the firms' employee succession plan

Our business continuity and contingency plan is reviewed and updated on a regular basis to ensure that the policies in place are sufficient and operational.

## Customer Privacy Policy Notice

**Commitment to Your Private Information:** Alpern Wealth Management, LLC has a policy of protecting the confidentiality and security of information we collect about our clients. We do not, and will not, share non-public personal information ("Information") about you with outside third parties without your consent, except for the specific purposes described below. This notice has been provided to you to describe the Information we may gather and the situations under which we may need to share it.

**Why We Collect and How We Use Information.** We limit the collection and use of Information within our firm to only those individuals associated or employed with us that must have Information to provide financial services to you. Such services include maintaining your accounts, processing transaction requests, and providing the advisory services described in our Form ADV.

**How We Gather Information.** We get most Information directly from you when you provide us with information from any of the following sources:

- Applications or forms (for example: name, address, social security number, birth date, assets, income, financial history)
- Transactional activity in your account (for example: trading history and account balances)
- Information services and consumer reporting sources (for example: to verify your identity or to assess your credit history)
- Other sources with your consent (for example: your insurance professional, attorney or accountant)

**How We Protect Information.** Our employees and affiliated persons are required to protect the confidentiality of Information and to comply with our stated policies. They may access Information only when there is an acceptable reason to do so, such as to service your account or provide you with financial services. Employees who violate our Privacy Policy are subject to disciplinary action, up to and including termination from employment with us. We also maintain physical, electronic and procedural safeguards to protect Information, which comply with applicable SEC, state, and federal laws.

**Sharing Information with Other Companies Permitted Under Law.** We do not disclose Information obtained in the course of our practice except as required or permitted under law. Permitted disclosures include, for instance, providing Information to unrelated third parties who need to know such Information in order to assist us with the provision of services to you. Unrelated third parties may include broker/dealers, mutual fund companies, insurance companies, and the custodian with which your assets are held. In such situations, we stress the confidential nature of Information being shared.

**Former Customers.** Even if we cease to provide you with financial products or services, our Privacy Policy will continue to apply to you and we will continue to treat your non-public information with strict confidentiality.