

# Halpern Financial, Inc.

SEC File Number: 801 – 57444

## **ADV Part 2A, Firm Brochure**

**Dated: September 25, 2015**

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**This Brochure provides information about the qualifications and business practices of Halpern Financial, Inc. If you have any questions about the contents of this Brochure, please contact us at (240) 268-1000 or [MSotudeh@HalpernFinancial.com](mailto:MSotudeh@HalpernFinancial.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 Halpern Financial, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**References herein to Halpern Financial, Inc. as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.**

## **Item 2           Material Changes**

Since a previous Annual Amendment filing on March 24, 2014, this ADV Part 2A, Firm Brochure has been materially amended throughout to reflect a change in Chief Compliance Officers. Effective January 1, 2015, Milena Nilsen has been replaced as Chief Compliance Officer by Melissa Sotudeh. There have been no material changes to this ADV Part 2A, Firm Brochure since the most recent Annual Amendment filing on February 3, 2015.

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#### Item 4            **Advisory Business**

- A. Halpern Financial, Inc. (“Halpern Financial”) is a corporation formed on June 24, 1998 in the State of Maryland. Halpern Financial became registered as an Investment Adviser Firm in May 2000. Halpern Financial is owned by Ted S. Halpern, who is Halpern Financial’s principal owner, President, and Director.
- B. As discussed below, Halpern Financial offers to its clients (individuals, business entities, trusts, estates and charitable organizations, etc.) investment advisory services. Although Halpern Financial may provide limited financial planning services upon request as part of the investment advisory process described below, it **does not** hold itself out as providing comprehensive financial planning services on a stand-alone, separate fee basis.

#### **INVESTMENT ADVISORY SERVICES**

The client can determine to engage Halpern Financial to provide discretionary investment advisory services on a *fee-only* basis. Halpern Financial’s annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under Halpern Financial’s management. As part of the investment advisory process, clients may choose to engage Halpern Financial to provide analysis and advice on various financial planning topics or financial consultative services at no additional charge. Prior to engaging Halpern Financial to provide investment advisory services, clients are required to enter into an *Investment Advisory Agreement* with Halpern Financial setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client.

To commence the investment advisory process, an investment adviser representative will first ascertain each client’s investment objectives and then allocate and/or recommend that the client allocate investment assets consistent with the designated investment objectives. Halpern Financial primarily allocates client investment assets among various mutual funds, exchange traded funds, as well as individual securities under special circumstances, on a discretionary basis, in accordance with the client’s designated investment objective(s). Once allocated, Halpern Financial provides ongoing monitoring and review of account performance and asset allocation as compared to client investment objectives and financial needs.

#### **MISCELLANEOUS**

**Limited Consulting/Implementation Services.** Although Halpern Financial does not hold itself out as providing financial planning services, to the extent specifically requested by the client, Halpern Financial *may* provide limited consultation services to its investment advisory clients on investment and non-investment related matters, such as estate planning, tax planning, insurance, etc. that are generally ancillary to the investment advisory process. Any such consultation services, to the extent rendered, shall be rendered exclusively on an unsolicited basis. Halpern Financial *may* determine to charge a fee for such consulting services, the terms and condition of which shall be set forth in a separate *Limited Consulting Agreement*. Neither Halpern Financial, nor any of its representatives, serves as an attorney, accountant, or licensed insurance agent, and no portion of Halpern Financial’s services should be construed as same. To the extent

requested by a client, Halpern Financial may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.) The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Halpern Financial.

**Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify Halpern Financial if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Halpern Financial's previous recommendations and/or services.

**Client Establishment Fee.** The Client Establishment Fee is an initial and one-time fee which covers the Wealth Profile (information gathering process) and preparation of a Review and Recommendation Plan (collectively the "Total Plan"). The Total Plan for a client includes an assessment of client's current financial situation, general guidelines, and specific recommendations from client data collected. Based on this information, Halpern Financial will conduct a cash flow analysis, a debt management analysis, a review of all current accounts, a cost basis analysis, income planning, risk parameters examination, exposure to any potential estate tax liabilities and other distribution issues and a review of major financial concerns and financial priorities. Upon establishing a relationship with Halpern Financial, the Client Establishment Fee also includes all account documentation, account transfers, reviews of security cost basis and client information loading into Halpern Financial's systems, online access to Halpern Financial's website and Halpern Financial's meetings with other advisers of the client.

**Trade Error Policy.** Halpern Financial shall reimburse accounts for losses resulting from Halpern Financial's trade errors, but shall not credit accounts for such errors resulting in market gains. The gains and losses are reconciled within Halpern Financial's custodian firm account and Halpern Financial retains the net gains and losses.

**Client Obligations.** In performing its services, Halpern Financial shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify Halpern Financial if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Halpern Financial's previous recommendations and/or services.

**Use of Mutual Funds:** While Halpern Financial may recommend allocating investment assets to mutual funds that are not available directly to the public, Halpern Financial may also recommend that clients allocate investment assets to publically-available mutual funds that he/she/it could obtain without engaging Halpern Financial as an investment advisor. However, if a client or prospective client determines to allocate investment assets to publically-available mutual funds without engaging Halpern Financial as an investment advisor, he/she/it would not receive the benefit of Halpern Financial's initial and ongoing investment advisory services.

**Disclosure Statement.** A copy of Halpern Financial's written Brochure as set forth on Part 2 of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement*.

**Retirement Plan Rollovers-No Obligation/Conflict of Interest.** A client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in his/her former employer's plan, if permitted, (ii) roll over the assets to his/her new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). Halpern Financial may recommend an investor roll over plan assets to an IRA managed by Halpern Financial. As a result Halpern Financial and its representatives may earn an asset-based fee (see **Please Note** below). In contrast, a recommendation that a client or prospective client leave his or her plan assets with his/her former employer or roll the assets to a plan sponsored by a new employer will generally result in no compensation to Halpern Financial (unless clients engage Halpern Financial to monitor and/or manage the account while maintained at his/her employer). Halpern Financial has an economic incentive to encourage a client to roll plan assets into an IRA that Halpern Financial will manage **or** to engage Halpern Financial to monitor and/or manage the account while maintained at the client's employer. There are various factors that Halpern Financial may consider before recommending a rollover, including but not limited to: (i) the investment options available in the plan versus the investment options available in an IRA, (ii) fees and expenses in the plan versus the fees and expenses in an IRA, (iii) the services and responsiveness of the plan's investment professionals versus Halpern Financial's, (iv) protection of assets from creditors and legal judgments, (v) required minimum distributions and age considerations, and (vi) employer stock tax consequences, if any. **No client is under any obligation to roll over plan assets to an IRA managed by Halpern Financial or to engage Halpern Financial to monitor and/or manage the account while maintained at the client's employer. Please Note:** If Halpern Financial's engagement will include the management of the client's retirement account per the same fee schedule set forth in Item 5 below, regardless of custodian or the client's decision to process a rollover, the above economic incentive to recommend a rollover is moot. **Halpern Financial's Chief Compliance Officer, Melissa Sotudeh, remains available to address any questions that a client or prospective client may have regarding its prospective engagement and the corresponding conflict of interest presented by such engagement.**

- C. Halpern Financial shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, Halpern Financial shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at anytime, impose reasonable restrictions, in writing, on Halpern Financial's services.
- D. Halpern Financial does not participate in a wrap fee program.
- E. As of December 31, 2014, Halpern Financial had \$243,168,797 in assets under management on a discretionary basis.

## Item 5 Fees and Compensation

- A. The client can determine to engage Halpern Financial to provide discretionary investment advisory services on a *fee-only* basis.

### INVESTMENT ADVISORY SERVICES

If a client determines to engage Halpern Financial to provide discretionary investment advisory services on a *fee-only* basis, Halpern Financial's negotiable annual investment advisory fee is generally based upon a percentage (%) of the market value and type of assets placed under Halpern Financial's management (between negotiable and 1.00%) as follows:

<u>Assets Managed</u>	<u>Annual Fee</u>	<u>Client Establishment Fee</u>
\$1,000,000 - \$2,500,000	1.00%	\$ 2,500
\$2,500,001 - \$5,000,000	0.80%	\$ 5,000
\$5,000,001 - \$10,000,000	0.60%	\$ 7,500
\$10,000,001 – and greater	0.40%	\$10,000

The minimum size for beginning an investment advisory relationship is \$1 million, except for existing clients, their families and referrals. Accounts may be aggregated to meet the \$1 million minimum relationship size. We will assess accounts accepted for management that do not meet our \$1 million minimum a 1.2% per annum fee until the standard fee schedule applies. Clients with less than \$1 million will be assessed a client establishment fee of \$2,000.

\* In Halpern Financial's sole discretion, Halpern Financial may provide investment advisory and/or limited planning or consulting services on an hourly rate basis. Halpern Financial's hourly rate is negotiable, but will generally be \$425 per hour.

- B. Clients may elect to have Halpern Financial's advisory fees deducted from their custodial account. Both Halpern Financial's *Investment Advisory Agreement* and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of Halpern Financial's investment advisory fee and to directly remit that management fee to Halpern Financial in compliance with regulatory procedures. In the limited event that Halpern Financial bills the client directly, payment is due upon receipt of Halpern Financial's invoice. Halpern Financial shall deduct fees and/or bill clients quarterly in arrears, based upon the market value of the assets on the last business day of the previous quarter.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, Halpern Financial shall generally recommend that Fidelity Management Trust Company ("*Fidelity*") serve as the custodian for client investment advisory assets. Custodians such as *Fidelity* charge transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions), no portion of which shall be received by Halpern Financial. In addition to Halpern Financial's investment advisory fee, and transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses), no portion of which shall be received by Halpern Financial.

- D. Halpern Financial's annual investment advisory fee shall be prorated and paid quarterly, in arrears, based upon the market value of the assets on the last business day of the previous quarter. As discussed above, Halpern Financial generally requires a minimum asset level of \$1 million in advisory assets. Also, Halpern Financial generally imposes a \$4,000 annual minimum fee (\$1,000 per quarter). Therefore, in certain limited cases, clients will pay a higher percentage annual fee than referenced in Item 5.A. above. However, Halpern Financial, in its sole discretion, may waive its minimum asset requirement and/or charge a lesser investment advisory fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

The *Investment Advisory Agreement* between Halpern Financial and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, a pro-rated portion of the earned but unpaid advanced advisory fee shall be due.

- E. Neither Halpern Financial, nor its representatives accept compensation from the sale of securities or other investment products.

## **Item 6            Performance-Based Fees and Side-by-Side Management**

Neither Halpern Financial nor any supervised person of Halpern Financial accepts performance-based fees.

## **Item 7            Types of Clients**

Halpern Financial's clients shall generally include individuals, business entities, trusts, estates and charitable organizations. As discussed above, Halpern Financial generally requires a minimum asset level of \$1 million in advisory assets. Also, Halpern Financial generally imposes a \$4,000 annual minimum fee (\$1,000 per quarter). Therefore, in certain limited cases, clients will pay a higher percentage annual fee than referenced in Item 5.A. above. However, Halpern Financial, in its sole discretion, may waive its minimum asset requirement and/or charge a lesser investment advisory fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

## **Item 8            Methods of Analysis, Investment Strategies and Risk of Loss**

- A. Halpern Financial may utilize the following methods of security analysis:
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
  - Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)

Halpern Financial may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Margin Transactions (use of borrowed assets to purchase financial instruments)
- Options (contract for the purchase or sale of a security at a predetermined price during a specific period of time)

**Please Note: Investment Risk.** Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Halpern Financial) will be profitable or equal any specific performance level(s).

- B. Halpern Financial's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis Halpern Financial must have access to current/new market information. Halpern Financial has no control over the dissemination rate of market information; therefore, unbeknownst to Halpern Financial, certain analyses may be compiled with outdated market information, severely limiting the value of Halpern Financial's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Halpern Financial's primary investment strategy - Long Term Purchases – is a fundamental investment strategy. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

In addition to the fundamental investment strategies discussed above, Halpern Financial may also implement and/or recommend – use of margin, and/or options transactions; each of these strategies has a high level of inherent risk. (*See discussion below*).

Margin is an investment strategy with a high level of inherent risk. A margin transaction occurs when an investor uses borrowed assets to purchase financial instruments. The investor generally obtains the borrowed assets by using other securities as collateral for the borrowed sum. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial instruments on margin. **Please Note:** To the extent that a client authorizes the use of margin, and margin is thereafter employed by Halpern Financial in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to Halpern Financial may be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential ***conflict of interest*** whereby the client's decision to employ margin *may* correspondingly increase the management fee payable to



Halpern Financial. Accordingly, the decision as to whether to employ margin is left totally to the discretion of client.

The use of options transactions as an investment strategy involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, the purchase or the recommendation to purchase an option contract by Halpern Financial shall be with the intent of offsetting/"hedging" a potential market risk in a client's portfolio. **Please Note:** Although the intent of the options-related transactions that may be implemented by Halpern Financial is to hedge against principal risk, certain of the options-related strategies (i.e. straddles, short positions, etc), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct Halpern Financial, in writing, not to employ any or all such strategies for his/her/their/its accounts.

- C. Currently, Halpern Financial primarily allocates client investment assets among various mutual funds and exchange traded funds, on a discretionary basis, in accordance with the client's designated investment objective(s).

## **Item 9            Disciplinary Information**

Halpern Financial has not been the subject of any disciplinary actions.

## **Item 10          Other Financial Industry Activities and Affiliations**

- A. Neither Halpern Financial, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither Halpern Financial, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. Halpern Financial does not have any relationship or arrangement that is material to its advisory business or to its clients with any related person.
- D. **Referrals to Unaffiliated Investment Adviser:** In the event that a prospective client's investment assets do not meet Halpern Financial's relationship minimums, Halpern Financial may recommend that the prospective client engage the advisory services of an unaffiliated investment adviser. In the event that the client engages the unaffiliated investment adviser, Halpern Financial may receive a referral fee from that adviser (i.e. a portion of the advisory fee paid by the introduced prospective client to the unaffiliated adviser) consistent with the requirements of Rule 206(4)-3. The client is under no obligation to engage the services of any such unaffiliated recommended investment adviser. Halpern Financial shall not provide any services to the prospective client other

than the initial introduction to the unaffiliated adviser. If the prospective client engages the unaffiliated adviser, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged unaffiliated investment adviser.

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

- A. Halpern Financial maintains an investment policy relative to personal securities transactions. This investment policy is part of Halpern Financial's overall Code of Ethics, which serves to establish a standard of business conduct for all of Halpern Financial's representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, Halpern Financial also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Halpern Financial or any person associated with Halpern Financial.

- B. Neither Halpern Financial nor any related person of Halpern Financial recommends, buys, or sells for client accounts, securities in which Halpern Financial or any related person of Halpern Financial has a material financial interest.
- C. Halpern Financial and/or representatives of Halpern Financial *may* buy or sell securities that are also recommended to clients. This practice may create a situation where Halpern Financial and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Halpern Financial did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of Halpern Financial's clients) and other potentially abusive practices.

Halpern Financial has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Halpern Financial's "Access Persons". Halpern Financial's securities transaction policy requires that an Access Person of Halpern Financial must provide the Chief Compliance Officer or his/her designee with a written report of the their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date Halpern Financial selects; provided, however that at any time that Halpern Financial has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. Halpern Financial and/or representatives of Halpern Financial *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where Halpern Financial and/or representatives of Halpern Financial are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, Halpern Financial has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Halpern Financial's Access Persons.

## **Item 12      Brokerage Practices**

- A. In the event that the client requests that Halpern Financial recommend a custodian for execution and/or custodial services (exclusive of those clients that may direct Halpern Financial to use a specific custodian), Halpern Financial generally recommends that investment advisory accounts be maintained at *Fidelity*. Prior to engaging Halpern Financial to provide investment advisory services, the client will be required to enter into a formal *Investment Advisory Agreement* with Halpern Financial setting forth the terms and conditions under which Halpern Financial shall manage the client's assets, and a separate custodial/clearing agreement with each designated custodian.

Factors that Halpern Financial considers in recommending *Fidelity* (or any other custodian to clients) include historical relationship with Halpern Financial, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Halpern Financial's clients shall comply with Halpern Financial's duty to obtain best execution, a client may pay a commission that is higher than another qualified custodian might charge to effect the same transaction where Halpern Financial determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a custodian's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Halpern Financial will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The transaction fees charged by the designated custodian are exclusive of, and in addition to, Halpern Financial's investment advisory fee. Halpern Financial's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

### **1. Research and Additional Benefits**

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular custodian, Halpern Financial may receive from *Fidelity* (another broker-dealer/custodian, independent investment manager, investment platform and/or mutual fund sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist Halpern Financial to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by Halpern Financial may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social

events, marketing support, computer hardware and/or software and/or other products used by Halpern Financial in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist Halpern Financial in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Halpern Financial to manage and further develop its business enterprise.

Halpern Financial's clients do not pay more for investment transactions effected and/or assets maintained at *Fidelity* as a result of this arrangement. There is no corresponding commitment made by Halpern Financial to *Fidelity* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

2. In the event that the transactions for a client's accounts are effected through a broker-dealer that refers investment advisory clients to Halpern Financial, there exists the potential for conflict of interest if the accounts incur higher commission or transaction costs than the accounts would otherwise have incurred had the client determined to effect account transactions through alternative clearing arrangements that may have been available through Halpern Financial.
3. Halpern Financial does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer/custodian). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Halpern Financial will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers/custodians with orders for other accounts managed by Halpern Financial. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

**Please Note:** In the event that the client directs Halpern Financial to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Halpern Financial. Higher transaction costs adversely impact account performance.

**Halpern Financial's Chief Compliance Officer, Melissa Sotudeh, remains available to address any questions that a client or prospective client may have regarding the above arrangements and any corresponding perceived conflict of interest such arrangements may create.**

- B. To the extent that Halpern Financial provides investment advisory services to its clients, the transactions for each client account generally will be effected independently, unless Halpern Financial decides to purchase or sell the same securities for several clients at approximately the same time. Halpern Financial may (but is not obligated to) combine

or “bunch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Halpern Financial’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Halpern Financial shall not receive any additional compensation or remuneration as a result of such aggregation.

### **Item 13      Review of Accounts**

- A. For those clients to whom Halpern Financial provides investment supervisory services, account reviews are conducted on an ongoing basis by Halpern Financial's Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise Halpern Financial of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review investment objectives and account performance with Halpern Financial on at least an annual basis or as needed.
- B. Halpern Financial *may* conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Halpern Financial may also provide a written periodic report summarizing account activity and performance.

### **Item 14      Client Referrals and Other Compensation**

- A. As referenced in Item 12.A.1 above, Halpern Financial may receive an indirect economic benefit from *Fidelity*. Halpern Financial, without cost (and/or at a discount), may receive support services and/or products from *Fidelity*.

Halpern Financial’s clients do not pay more for investment transactions effected and/or assets maintained at *Fidelity* as a result of this arrangement. There is no corresponding commitment made by Halpern Financial to *Fidelity* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**Halpern Financial’s Chief Compliance Officer, Melissa Sotudeh, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.**

- B. Neither Halpern Financial nor its Representatives compensate non-supervised persons for client referrals.

## **Item 15           Custody**

Halpern Financial shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Those clients to whom Halpern Financial provides investment supervisory services may also receive a periodic report from Halpern Financial summarizing account activity and performance.

**Please Note:** To the extent that Halpern Financial provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Halpern Financial with the account statements received from the account custodian.

**Please Also Note:** The account custodian does not verify the accuracy of Halpern Financial's advisory fee calculation.

## **Item 16           Investment Discretion**

The client can determine to engage Halpern Financial to provide investment advisory services on a discretionary basis. Prior to Halpern Financial assuming discretionary authority over a client's account, client shall be required to execute *Investment Advisory Agreement*, naming Halpern Financial as client's attorney and agent in fact, granting Halpern Financial full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account in accordance with the client's investment objective.

Clients who engage Halpern Financial on a discretionary basis may, at anytime, impose restrictions, **in writing**, on Halpern Financial's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe Halpern Financial's use of margin, etc).

## **Item 17           Voting Client Securities**

- A. Halpern Financial does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact Halpern Financial to discuss any questions they may have with a particular solicitation.

**Item 18      Financial Information**

- A. Halpern Financial does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. Halpern Financial is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. Halpern Financial has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: Halpern Financial's Chief Compliance Officer, Melissa Sotudeh, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**