

# Halpern Financial, Inc.

SEC File Number: 801 – 57444

ADV Part 2A, Brochure

Dated: September 28, 2017

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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**

There have been no material changes to this ADV Part 2A, Brochure since the most recent Annual Amendment filing on January 31, 2017. Although not a material change, this Brochure has been amended at Item 5 to revise Halpern Financial's fee schedule and at Items 5 and 7 to increase and enhance disclosures.

**ANY QUESTIONS: Halpern Financial Inc.'s Chief Compliance Officer, Melissa Sotudeh, remains available to address any questions that a client or prospective client may have regarding these changes, or any other aspect of this Brochure.**

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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 and estates, pension and profit sharing plans, 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, and rebalances the account on a discretionary basis.

#### **RETIREMENT PLAN SERVICES**

Halpern Financial provides services to assist plan sponsors, trustees, and administrators to meet fiduciary responsibilities under the Employee Retirement Income Security Act of 1974 (“ERISA”), which may include the following:

- **Participant Education** – Halpern Financial may provide group meetings and individual participant meetings to help participants achieve better financial understanding.

- **Monitoring** – Halpern Financial may establish and manage a process to select, de-select, and monitor investments offered to plan participants. Halpern Financial will then evaluate the plan’s current offering by benchmarking the investment return, risk, and expenses to its peers and relative indices, by providing an assessment of asset class overlap or gaps, and by evaluating overall investment offering to the plan.
- **Trustee and Investment Committee Meetings** – Halpern Financial may meet with the plan’s sponsor or administrator to document the performance of the plan’s investments and to make any recommendations that may be appropriate for changes.
- **Discretionary Model Management** – Halpern Financial may develop and manage portfolios designed to meet specific risk and return characteristics. These models will be comprised mainly of investments offered to plan participants. Halpern Financial may also serve as the advisor on these models in an advisory arrangement under ERISA § 3(21) and ERISA § 3(38) as described below.

### **RETIREMENT PLAN CONSULTING SERVICES UNDER ERISA § 3(21)**

Halpern Financial provides retirement plan consulting services under ERISA §3(21). In this capacity, Halpern Financial assists sponsors of self-directed retirement plans with the selection and/or monitoring of investment alternatives (generally open-end mutual funds) from which plan participants choose in self-directing the investments for their individual plan retirement accounts. The plan sponsor or administrator ultimately decides whether and how to implement these recommendations. In addition, to the extent requested by the plan sponsor, Halpern Financial shall also provide participant education designed to assist participants in identifying the appropriate investment strategy for their retirement plan accounts. The plan participants are responsible for any individual investment selections made under the plan. When providing services under ERISA §3(21), Halpern Financial does not exercise discretionary authority or control of plan assets or administration of the plan. Therefore, Halpern Financial is not a “fiduciary” pursuant to ERISA except to the extent it renders “investment advice” to the plan within the meaning of §3(21) of ERISA and related regulations.

### **RETIREMENT PLAN INVESTMENT MANAGEMENT SERVICES UNDER ERISA § 3(38)**

For the purposes of ERISA §3(38), Halpern Financial may serve as the “investment manager” that exercises discretionary authority to select, monitor, and replace the investment options in the plan platform, as well as the provision of model portfolios it develops for the plan from which the plan participants are responsible to individually select. For non-self-directed retirement plans, Halpern Financial may also have discretion to purchase and sell securities within the plan’s portfolio without having to obtain the plan sponsor or administrator’s permission to execute transactions.

### **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 legal, accounting, or insurance services. Accordingly, Halpern Financial does not prepare estate planning documents, tax returns or sell insurance products. 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 their financial situation or investment objectives for the purpose of reviewing, evaluating or 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, however, if errors result in market gains, the net gains will be sent to a registered charity. The gains and losses are reconciled within Halpern Financial's custodial firm account.

**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.

**eMoney Advisor Platform.** Halpern Financial may provide its clients with access to an online platform hosted by "eMoney Advisor" ("eMoney"). The eMoney platform allows a client to view their complete asset allocation, including those assets that Halpern Financial does not manage (the "Excluded Assets"). Halpern Financial does not provide

investment management, monitoring, or implementation services for the Excluded Assets. Therefore, Halpern Financial shall not be responsible for the investment performance of the Excluded Assets. **Rather, the client and/or their advisor(s) that maintain management authority for the Excluded Assets, and not Halpern Financial, shall be exclusively responsible for such investment performance.** The client may choose to engage Halpern Financial to manage some or all of the Excluded Assets pursuant to the terms and conditions of an Investment Advisory Agreement between Halpern Financial and the client. The eMoney platform also provides access to other types of information, including financial planning concepts, which should not, in any manner whatsoever, be construed as services, advice, or recommendations provided by Halpern Financial. Finally, Halpern Financial shall not be held responsible for any adverse results a client may experience if the client engages in financial planning or other functions available on the eMoney platform without Halpern Financial's assistance or oversight.

**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, they would not receive the benefit of Halpern Financial's initial and ongoing investment advisory services.

**Disclosure Statement.** A copy of Halpern Financial's written disclosure statement as set forth on Part 2 of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the applicable form of client agreement.

**Retirement Rollovers-Potential for Conflict of Interest:** A client or prospective 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 the former employer's plan, if permitted, (ii) roll over the assets to the 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). If Halpern Financial recommends that a client roll over their retirement plan assets into an account to be managed by Halpern Financial, such a recommendation creates a conflict of interest if Halpern Financial will earn an advisory fee on the rolled over assets. To the extent that Halpern Financial recommends that clients roll over assets from their retirement plan to an IRA managed by Halpern Financial, then Halpern Financial represents that it and its investment adviser representatives are fiduciaries under the Employment Retirement Income Security Act of 1974, or the Internal Revenue Code, or both. **No client is under any obligation to roll over retirement plan assets to an account managed by Halpern Financial. Halpern Financial's Chief Compliance Officer, Melissa Sotudeh, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.**

- 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, 2016, Halpern Financial had \$282,212,963 in assets under management on a discretionary basis.

## Item 5 Fees and Compensation

A.

### INVESTMENT ADVISORY SERVICES AND RETIREMENT PLAN SERVICES

If a client determines to engage Halpern Financial to provide discretionary investment advisory services or retirement plan 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 or advisement (between 0.36% and 1.00%) as follows:

<u>Assets Managed</u>	<u>Annual Fee</u>
The First \$2,000,000*	1.00%
The next \$1,000,000 – up to \$3,000,000	0.84%
The next \$2,000,000 – up to \$5,000,000	0.68%
The next \$5,000,000 – up to \$10,000,000	0.52%
Assets above \$10,000,000	0.36%

\*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.

At the outset of the client relationship, there will also be a Client Establishment Fee ("CEF"). The CEF is a one-time fee assessed within 30 days of becoming a client and assets transferring over to the new accounts, determined in accordance with the below schedule. As discussed in Item 4 above, the CEF covers the preliminary work done during the initial stages of the client relationship. The CEF may be debited from the client's account or paid separately. Existing clients, their families and referrals with less than \$1 million will be assessed a CEF of \$1,500.

<u>Assets Managed</u>	<u>Client Establishment Fee</u>
\$1,000,000-\$2,000,000	\$2,000
\$2,000,001 – \$3,000,000	\$2,500
\$3,000,001 – \$5,000,000	\$3,500
\$5,000,001 – \$10,000,000	\$5,000
Above \$10,000,000	\$7,500

Halpern Financial in its sole discretion, may waive its 1.2% minimum fee or charge a lesser investment advisory fee or CEF 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.). **Please Note:** As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. **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 advisory fees.

- 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, and estates and pension and profit sharing plans. 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. Halpern Financial in its sole discretion, may waive its 1.2% minimum fee or charge a lesser investment advisory fee or CEF 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.). **Please Note:** As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. **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 advisory fees.

## **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)

**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.

- C. Currently, Halpern Financial primarily allocates client investment assets among various mutual funds, bond 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. Halpern Financial does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients

#### **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 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 (no portion of which shall be received by Halpern Financial). 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, vendor, 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. **Please Also Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

**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 non-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 economic benefit from *Fidelity* including support services and/or products without cost (and/or at a discount).

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.**