

# Halpern Financial, Inc.

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ADV Part 2A, Brochure

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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 March 14, 2023 annual update filing.

Although not material, the Firm has made disclosure changes, enhancements and additions below at Item 4.

ANY QUESTIONS: Halpern Financial Inc.'s Chief Compliance Officer, Melissa Sotudeh, remains available to address any questions about this Brochure.

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

- A. Halpern Financial, Inc. (“Halpern Financial”) is a Maryland corporation formed on June 24, 1998, which became registered as an investment adviser 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 investment advisory services to its clients, who are generally: individuals, high net worth individuals, trusts, estates, pensions and profit sharing plans. 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 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 management or advisement. 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, subject to the limitations below. Before 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.

As described in Item 5 below, clients will incur a “Client Establishment Fee,” which is an initial and one-time fee which covers the Wealth Profile (information gathering process) and preparation of a Review and Recommendation Report. This report includes an assessment of client’s current financial situation, general guidelines, and specific recommendations on 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. The Client Establishment Fee also compensates for 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.

After the Review and Recommendation Report, client onboards, and the Portfolio Development Report is presented and approved by the client, Halpern Financial will allocate the client’s investment assets consistent with the designated investment objectives. Halpern Financial primarily allocates client investment assets on a discretionary basis among various mutual funds, exchange traded funds (“ETFs”), and individual securities under special circumstances, in accordance with the client’s designated investment objectives. 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 may periodically execute account transactions based upon those reviews or other triggering events.

## **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 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 will 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.

### **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, and provides model portfolios it develops and manages for the plan, from which the plan participants can self-direct. 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

**Limitations of Consulting/Implementation Services.** Although Halpern Financial does not hold itself out as providing financial planning services, it may choose to provide limited consultation services to its investment advisory clients about 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 seek to charge a fee for such consulting services according to the terms and conditions of a separate Limited Consulting Agreement that would be executed by the client and Halpern Financial. 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 implementation services. Accordingly, Halpern Financial does not prepare estate planning documents, tax returns or sell insurance products. Unless specifically agreed in writing, neither Halpern Financial nor its representatives are responsible to implement any financial plans or financial consulting advice; provide ongoing consulting services; or provide ongoing monitoring of financial plans or consulting advice. The client retains absolute discretion over all financial planning, consulting, and related implementation decisions, and is free to accept or reject any recommendation from Halpern Financial and its representatives. 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 agents, etc.). Clients are under no obligation to engage the services of any recommended professional, who shall be solely responsible for the quality and competency of the services they provide. If the client engages any recommended professional, and a dispute arises related to the engagement, the client should seek recourse exclusively from and against the engaged professional. The preceding sentence shall not limit or waive any applicable rights under federal or state law, including securities laws and fiduciary obligations that cannot be limited or waived.

**Please Note: Planning Limitations.** Registrant will generally provide financial planning and related consulting services regarding matters such as tax and estate planning, insurance, etc. Registrant will generally provide such consulting services inclusive of its advisory fee set forth at Item 5 below (exceptions could occur based upon assets under management, extraordinary matters, special projects, stand-alone planning engagements, etc. for which Firm may charge a separate or additional fee). It remains each 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 our previous recommendations and/or services.

**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. Clients are responsible 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.

**Portfolio Activity.** As part of its investment advisory services, Halpern Financial will review client portfolios on an ongoing basis to determine if any trades are necessary based upon various factors, including but not limited to investment performance, fund manager tenure, style drift, account additions/withdrawals, the client's financial circumstances, and

changes in the client's investment objectives. Based upon these and other factors, there may be extended periods of time when Halpern Financial determines that trades within a client's portfolio are not prudent. Clients nonetheless remain subject to the fees described in Item 5 during periods of portfolio trading inactivity.

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"). Unless agreed to otherwise, **the client and/or his/her/its other advisors that maintain trading authority, and not Halpern Financial, shall be exclusively responsible for the investment performance of the Excluded Assets.** Unless also agreed to otherwise, Halpern Financial does not provide investment management, monitoring or implementation services for the Excluded Assets. If the Halpern Financial is asked to make a recommendation as to any Excluded Assets, the client is under absolutely no obligation to accept the recommendation, and Halpern Financial shall not be responsible for any implementation error (timing, trading, etc.) relative to the Excluded Assets. The client can engage Halpern Financial to provide investment management services for the Excluded Assets pursuant to the terms and conditions of the *Investment Advisory Agreement* between Halpern Financial and the client.. The eMoney platform also provides access to other financial planning-related information that should not be construed as services, advice, or recommendations provided by Halpern Financial. Halpern Financial shall not be held responsible for any adverse results a client may experience by engaging in financial planning or other functions available on the eMoney platform without Halpern Financial's assistance or oversight.

Use of Mutual Funds and ETFs. Halpern Financial utilizes mutual funds and exchange traded funds for its client portfolios. In addition to Halpern Financial's investment advisory fee described below, and transaction and/or custodial fees discussed below, 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).

Custodian Charges-Additional Fees. As discussed at Items 5 and 12 below, when requested to recommend a broker-dealer/custodian for client accounts, Registrant generally recommends that *Fidelity* serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Fidelity* charge brokerage commissions, transaction, and/or other type fees for effecting certain types of securities transactions (i.e., including transaction fees for certain mutual funds, and mark-ups and mark-downs charged for fixed income transactions, etc.). The types of securities for which transaction fees, commissions, and/or other type fees (as well as the amount of those fees) shall differ depending upon the broker-dealer/custodian. While certain custodians, including *Fidelity*, generally (with the potential exception for large orders) do not currently charge fees on individual equity transactions (including ETFs), others do. Although Registrant is not a frequent trader, its primary investment vehicles for client accounts are ETFs and mutual funds. **Please Note:** there can be no assurance that *Fidelity* will not change their transaction fee pricing in the future.

Disclosure Statement. A copy of Halpern Financial's written disclosure statement as set forth on Part 2 of Form ADV and Form CRS (Client Relationship Summary) shall be provided to each client before, or contemporaneously with, the execution of the applicable form of client agreement.

Retirement Plan Rollovers – No Obligation / 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). As a fiduciary, Halpern Financial will review the overall implications of transferring an inactive retirement plan to an IRA under Halpern Financial's management. The evaluation criteria covers access to advice, investments and a comparison of costs including investment, administrative and advisory fee costs. A client has the choice of whether or not to accept Halpern Financial's recommendation. 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 a new (or increase its current) advisory fee as a result of the rollover. Whether Halpern Financial provides a recommendation as to whether a client should engage in a rollover or not, Halpern Financial is acting as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. 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 about the conflict of interest presented by such a rollover recommendation.

Cash Positions. Halpern Financial continues to treat cash as an asset class. As a matter of general policy and practice, Halpern Financial does not include excessive balances of cash or cash equivalents, which may be designated as cash reserves in the calculation of client advisory fees. Individual cash reserves will be determined on a client-by-client basis and will vary from time to time based upon a particular client's needs. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being **no guarantee** that such anticipated market conditions/events will occur), Halpern Financial may maintain cash positions for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, Halpern Financial's advisory fee could exceed the interest paid by the client's money market fund.

Cash Sweep Accounts. Account custodians generally require that cash proceeds from account transactions or cash deposits be swept into and/or initially maintained in the custodian's sweep account. The yield on the sweep account is generally lower than those available in money market accounts. To help mitigate this issue, Halpern Financial designates a higher yielding money market fund available on the custodian's platform as the 'core cash' position for all cash within the account.

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.

Margin / Securities Based Loans.

A client who has a need to borrow money could determine to do so by using:

- Pledged Assets Loan- In consideration for a lender (i.e., a bank, etc.) to make a loan to the client, the client pledges its investment assets held at the account custodian as collateral.

These above-described collateralized loans are generally utilized because they typically provide more favorable interest rates than standard commercial loans. These types of collateralized loans can assist with a pending home purchase, permit the retirement of more expensive debt, or enable borrowing in lieu of liquidating existing account positions and incurring capital gains taxes. However, such loans are not without potential material risk to the client's investment assets. The lender (i.e. custodian, bank, etc.) will have recourse against the client's investment assets in the event of loan default or if the assets fall below a certain level. For this reason, Halpern Financial does not recommend such borrowing unless it is for specific short-term purposes (i.e. a bridge loan to purchase a new residence). Halpern Financial does not recommend such borrowing for investment purposes (i.e. to invest borrowed funds in the market). Regardless, if the client was to determine to utilize a pledged assets loan, the following economic benefits would inure to Halpern Financial:

- by taking the loan rather than liquidating assets in the client's account, Halpern Financial continues to earn a fee on such pledged account assets; and
- if the client invests any portion of the loan proceeds in an account to be managed by Halpern Financial, Halpern Financial will receive an advisory fee on the invested amount.

**Please Note:** The Client must accept the above risks and potential corresponding consequences associated with the use of margin or a pledged assets loans.

Other Assets. A client may:

- hold securities that were purchased at the request of the client or acquired prior to the client's engagement of the Halpern Financial. Generally, with potential exceptions, Halpern Financial will review these securities carefully and discuss with the client. Some securities may be held, others may be sold, and for others Halpern Financial may place trading orders to protect the client's position downside. **Please Note:** If/when liquidated, it should not be assumed that the replacement securities purchased by Halpern Financial will outperform the liquidated positions. To the contrary, different types of investments involve varying degrees of risk, and there can be no assurance 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). In addition, there may be other securities and/or accounts owned by the client for which Halpern Financial does not maintain custodian access and/or trading authority; and,
- hold other securities and/or own accounts for which Halpern Financial does not maintain custodian access and/or trading authority.



Corresponding Services/Fees: When agreed to by Halpern Financial, Halpern Financial shall: (1) remain available to discuss these securities/accounts on an ongoing basis at the request of the client; (2) monitor these securities/accounts on a regular basis, including, where applicable, rebalancing with client consent; (3) shall generally consider these securities as part of the client's overall asset allocation; and, (4) report on such securities/accounts as part of regular reports that may be provided by Halpern Financial; and, (5) include the market value of all such securities for purposes of calculating advisory fee.

**WE DON'T RECOMMEND Cryptocurrency:** For clients who want exposure to cryptocurrencies, including Bitcoin, Halpern Financial, may advise the client to consider a potential investment in corresponding exchange traded securities, or an allocation to separate account managers and/or private funds that provide cryptocurrency exposure. Crypto is a digital currency that can be used to buy goods and services, but uses an online ledger with strong cryptography (i.e., a method of protecting information and communications through the use of codes) to secure online transactions. Unlike conventional currencies issued by a monetary authority, cryptocurrencies are generally not controlled or regulated and their price is determined by the supply and demand of their market. Because cryptocurrency is currently considered to be a speculative investment, Halpern Financial will not exercise discretionary authority to purchase a cryptocurrency investment for client accounts, nor will Halpern Financial hold cryptocurrency in client accounts. **Please Note:** Halpern Financial **does not** recommend or advocate the purchase of, or investment in, cryptocurrencies. Halpern Financial considers such an investment to be **speculative**.

Cybersecurity Risk. The information technology systems and networks that Halpern Financial and its third-party service providers use to provide services to Halpern Financial's clients employ various controls, which are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in Halpern Financial's operations and result in the unauthorized acquisition or use of clients' confidential or non-public personal information. Clients and Halpern Financial are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur losses, including for example: financial losses, cost and reputational damage to respond to regulatory obligations, other costs associated with corrective measures, and loss from damage or interruption to systems. Although Halpern Financial has established its systems to reduce the risk of cybersecurity incidents from coming to fruition, there is no guarantee that these efforts will always be successful, especially considering that Halpern Financial does not directly control the cybersecurity measures and policies employed by third-party service providers. Clients could incur similar adverse consequences resulting from cybersecurity incidents that more directly affect issuers of securities in which those clients invest, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchange and other financial market operators, or other financial institutions.

- C. Halpern Financial shall provide investment advisory services specific to the needs of each client. Before 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 any time, 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, 2023, Halpern Financial had \$1,098,485,138 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 will generally be based upon a percentage (%) of the market value and type of assets placed under Halpern Financial's management or advisement. The annual investment advisory fee will generally range between 0.20% and 1.20% subject to the terms and conditions of the applicable form of agreement between the client and Halpern Financial.

The minimum size for beginning an investment advisory relationship is \$2 million, except for existing clients and their families. Halpern Financial, in its discretion, may waive or reduce its minimum asset requirement 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, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, competition, negotiations with client, etc.). Halpern Financial will assess accounts accepted for management that are under \$1 million a 1.2% per annum fee. Accounts above \$1 million will be assessed according to the standard fee schedule which ranges between 0.20% and 1.00%.

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. 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. The CEF will range between \$1,500 and \$6,000.

In its sole discretion, Halpern Financial may 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, etc.). As a result, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for different fees.

In Halpern Financial's sole discretion, Halpern Financial may provide investment advisory and/or limited financial 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. In any partial calendar quarter, the advisory fee will be pro-rated based on the number of days that the account was managed during the quarter.

- C. Unless the client directs otherwise or an individual client's circumstances require, Halpern Financial generally recommends National Financial Services LLC / Fidelity Clearing and Custody Solutions, an SEC-registered and FINRA member broker dealer and its affiliates ("Fidelity") for brokerage and custodial services. Broker-dealers charge transaction fees for executing certain securities transactions according to their fee schedule, and they or their affiliated custodians also impose additional charges for custodial services / fees associated with maintaining the client's account. The types of securities for which transaction fees, commissions, and/or other type fees (as well as the amount of those fees) shall differ depending upon the broker-dealer/custodian (while certain custodians do not currently charge fees on individual equity transactions [including ETFs], others do). Currently, *Fidelity* does not charge transaction fees for mutual funds or ETFs utilized by Halpern Financial. (**Please Note:** there can be no assurance that either Fidelity will not change their transaction fee pricing in the future). The fees charged by the applicable broker-dealer/custodian, and the charges imposed by mutual funds and ETFs, are separate from and in addition to Halpern Financial's advisory fee referenced in this Item 5. Halpern Financial does not share in any portion of those fees or expenses.
- 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 \$2 million in advisory assets. 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, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, competition, 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**

Halpern Financial is not a party to any performance or incentive-related compensation arrangements with its clients.

## **Item 7            Types of Clients**

Halpern Financial's clients generally include individuals, high net worth individuals, trusts, estates and pension and profit sharing plans. As discussed above, Halpern Financial generally requires a minimum asset level of \$2 million in advisory assets, except for existing clients and their families. Halpern Financial in its sole discretion may waive its minimum asset level 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, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, competition, negotiations with client, etc.). Halpern Financial will assess accounts accepted for management that are under \$1 million a 1.2% per annum fee. Accounts above \$1 million will be assessed according to the standard fee schedule which ranges between 0.20% and 1.00%. As result of these objective and subjective factor, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower 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)

Investment Risk in General. Investing in securities involves risk of loss that clients should be prepared to bear. Past performance does not guarantee future results. Different types of investments involve varying degrees of risk, including the loss of principal investment, 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 levels. Investment strategies such as asset allocation, diversification, or rebalancing do not assure or guarantee better performance and cannot eliminate the risk of investment losses. There is no guarantee that a portfolio employing these or any other strategy will outperform a portfolio that does not engage in such strategies. While asset values may increase and client account values could benefit as a result, it is also possible that asset values may decrease and client account values could suffer a loss. It is therefore important that clients understand investment risks, diversification strategies, and ask Halpern Financial any questions they may have before making any investment decisions.

B. Halpern Financial's investment strategies and analysis aim to increase diversification, to limit or eliminate concentrated, significant or unusual risks. As part of this, Halpern Financial must have access to current market information. Naturally the firm is dependent on the rate of market information available to them so their analysis is compiled on the

most up-to-date information they have access to. Remember that past performance is not an indicator of future results. While past returns may be used and other factors to help determine a strategy to take advantage of the direction of future market values, Halpern Financial cannot assure that this will materialize into the most profitable investment strategy.

Halpern Financial's primary investment strategy - Long Term Purchases – is a fundamental investment strategy. This investment strategy aims to maximize returns within a specific level of risk. However, every investment strategy has its own inherent risks and limitations. As part of the development of their investment strategy, Halpern Financial considers the risks involved with longer term strategies compared to shorter term, the time period involved for a strategy to potentially develop, tax implications of portfolio turnover, costs involved and many other factors.

### **Options Strategies.**

Halpern Financial will not engage in options transactions for the purpose of hedging risk and/or generating portfolio income, however, certain new clients may transfer in options. The use of options transactions as an investment strategy can involve 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. Halpern Financial will let these options expire. **Please Note:** Certain 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. **Please Also Note:** There can be no guarantee that an options strategy will achieve its objective or prove successful.

- C. Currently, Halpern Financial primarily allocates client investment assets among various mutual funds, bond funds and ETFs on a discretionary basis in accordance with the client's designated investment objectives. Periodically, Halpern Financial may utilize individual bonds or individual stocks to achieve clients' investment objectives. Each type of security has its own unique set of risks associated with it, and it would not be possible to describe the specific risks of every type of investment. However, the following provides a short description of the risks associated with investing in these types of securities:

**Market Risk.** The price of a security may drop in reaction to tangible and intangible events and conditions. This type of risk may be caused by external factors (such as economic or political factors), but may also be incurred because of a fund's specific investments. Additionally, each security's price can fluctuate based on market movement, which may or may not be due to the security's operations or changes in its true value. For example, political, economic and social conditions may trigger market events which are temporarily negative, or temporarily positive.

**Interest Rate Risk.** Fixed income securities and fixed income-based securities are subject to interest rate risk because the prices of fixed income securities tend to move in the opposite direction of interest rates. When interest rates rise, fixed income security prices

tend to fall. When interest rates fall, fixed income security prices tend to rise. In general, fixed income securities with longer maturities are more sensitive to these price changes.

Inflation Risk. When any type of inflation is present, a dollar at present value will not carry the same purchasing power as a dollar in the future, because that purchasing power erodes at the rate of inflation.

Reinvestment Risk. Future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate), which primarily relates to fixed income securities.

Mutual Funds. Mutual funds are funds that are operated by an investment company that raises money from shareholders and invests it in stocks, bonds, and/or other types of securities. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objectives. The mutual funds charge a separate management fee for their services. The returns on mutual funds can be reduced by the costs to manage the funds. While mutual funds generally provide diversification, risks are as generally described above, but can be significantly increased if the fund is concentrated in a particular sector of the market. Funds that are sold through brokers are called load funds, and those sold to investors directly from the fund companies are called no-load funds. Mutual funds come in many varieties. Some invest aggressively for capital appreciation, while others are conservative and are designed to generate income for shareholders. Investors should carefully assess their tolerance for risk before they decide which fund is suitable for their account.

Exchange Traded Funds. ETFs trade on securities exchanges and are subject to all the risks discussed above with respect to the underlying assets they hold. However, they are also subject to the additional risk that their traded values can diverge from the underlying values of the securities that they hold. Therefore, potential losses can be increased when an ETF is purchased at a price that is higher than its underlying value or sold at a price that is lower than its underlying value. ETFs experience price changes throughout the day as they are bought and sold. In addition to the general risks of investing, there are specific risks to consider with respect to an investment in ETFs, including, but not limited to: (i) an ETF's shares may trade at a market price that is above or below its net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally.

## **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 presents a 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 before 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 their 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 their 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, they will 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 presents a 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. In addition, Halpern Financial's recommendation or allocation of client assets to mutual funds and ETFs will generally avoid a trading practice conflict of interest.

## **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. Before 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 will manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian. Depending on which custodian clients select to maintain their account, they may experience differences in customer service, transaction timing, the availability of sweep account vehicles and money market funds, and other aspects of investing.

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. Broker-dealers such as Fidelity can charge transaction fees for effecting certain securities transactions (*See* Item 4 above). To the extent that a transaction fee will be payable by the client, the transaction fee shall be in addition to Halpern Financial's investment advisory fee referenced in Item 5 above. To the extent that a transaction fee is payable, Registrant shall have a duty to obtain best execution for such transaction. However, that does not mean that the client will not pay a transaction fee that is higher than another qualified broker-dealer might charge to effect the same transaction where Registrant determines, in good faith, that the 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.

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

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant can receive from Fidelity (or another broker-dealer/custodian, investment manager, platform sponsor, mutual fund sponsor, or vendor) without cost (and/or at a discount) support services and/or products, certain of which assist Registrant to better monitor and service client accounts maintained at such institutions.



Halpern Financial's clients do not pay more for investment transactions executed 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. Halpern Financial does not receive referrals from broker-dealers.
3. Directed Brokerage. Halpern Financial recommends that its clients utilize the brokerage and custodial services provided by Fidelity. The Firm generally does not accept directed brokerage arrangements (but could make exceptions). A directed brokerage arrangement arises when a client requires that account transactions be effected through a specific broker-dealer/custodian, other than one generally recommended by Halpern Financial (i.e., Fidelity). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Firm 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 with orders for other accounts managed by Halpern Financial. As a result, a 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. 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. 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 conflict of interest presented.

- B. Transactions for each client account generally will be effected independently, unless Firm decides to purchase or sell the same securities for several clients at approximately the same time. The Firm may (but is not obligated to) combine or "batch" such orders for individual equity transactions with the intention to obtain better price execution, to negotiate more favorable commission rates, or to allocate more equitably among the Firm's clients differences in prices and commissions or other transaction costs that might have occurred had such orders been placed independently. However, Halpern Financial will batch the orders in all ETF transactions. 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 will 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 have 24 hour access to their accounts and transaction confirmations are sent immediately (either electronic access or postal service). Fidelity provides monthly account statements. In addition, Halpern Financial provides a quarterly performance report for client accounts.

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

- A. As referenced in Item 12 above, Halpern Financial receives economic benefits from Fidelity including support services and/or products without cost (and/or at a discount). However, Halpern Financial's clients do not pay more for investment transactions effected and/or assets maintained at Fidelity (or any other institution) as 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.
- B. Halpern Financial does not maintain promoter arrangements/pay referral fee compensation to non-employees for new client introductions.

#### **Item 15      Custody**

Halpern Financial will 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 also receive a quarterly report from Halpern Financial summarizing account activity and performance.

In addition, certain clients have established asset transfer authorizations that permit Fidelity to rely upon instructions from Halpern Financial to transfer client funds or securities to third parties. These arrangements are disclosed at Item 9 of Part 1 of Form ADV. However, in accordance with the guidance provided in the SEC's February 21, 2017 *Investment Adviser Association* No-Action Letter, the affected accounts are not subject to an annual surprise CPA examination.

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. Further, the account custodian does not verify the accuracy of Halpern Financial's advisory fee calculation.

#### **Item 16      Investment Discretion**

Clients can engage Halpern Financial to provide investment advisory services on a discretionary basis. Before Halpern Financial assumes discretionary authority over a client's account, the client is 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(s).

Clients who engage Halpern Financial on a discretionary basis may, at any time, 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 about the above disclosures and arrangements.