

Freedman Financial Associates, Inc.

Firm Brochure
(Form ADV Part 2A)

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This brochure provides information about the qualifications and business practices of Freedman Financial Associates, Inc. If you have any questions about the contents of this brochure, please contact us at (978)531-8108 or lisa@freedmanfinancial.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 Freedman Financial Associates, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

The following identifies the material changes made to our Firm Brochure since the date of our last annual update and brochure revision dated January 9, 2012.

Item 4 – Advisory Business

- Expanded our services in 2012 to begin offering the Manager Access Select (“MAS”) program through Freedman Financial. As a result, we added a description of the MAS program
- Referenced additional asset management services that we make available to clients through our wrap fee program. The wrap fee program is described in a separate brochure

Item 5 – Fees and Compensation

- Enhanced the disclosure regarding the securities licenses held by Marc Freedman and Marion Gilman and the conflicts of interest that this presents
- Added a discussion of fees and compensation for the MAS program

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

- Stated that within MAS, the third party management firm is responsible for determining the methods of analysis and investment strategy for handling the client’s account

Item 10 – Other Financial Industry Activities and Affiliations

- Disclosed that Marc Freedman is also a professional public speaker hired to speak on helping advisors become better financial planners, and that he may be compensated for speaking

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

- Enhanced the discussion regarding Freedman Financial’s code of ethics
- Included a statement regarding our policy not to affect any principal transactions or cross transactions for client accounts
- Provided information regarding the conflicts of interests that exist given that advisory representatives may also buy and sell securities for their personal accounts and steps we take to mitigate the conflicts of interest

Item 12 - Brokerage Practices

- Included a statement expressing that clients are required to direct LPL as the sole and exclusive broker/dealer to execute transactions for the MAS program
- Provided disclosure that we receive support services and/or products from LPL
- Provided disclosure regarding trade aggregation practices within the MAS program

Item 13 – Review of Accounts

- Enhanced the discussion to include account reviews for the MAS program

Item 14 – Client Referrals and Other Compensation

- Disclosed that Freedman Financial may receive additional compensation and benefits from LPL

Item 15 – Custody

- Expanded the discussion to address the MAS program

Item 16 – Investment Discretion

- Included a discussion regarding the discretionary authority within the MAS program

Item 17 – Voting Client Securities

- Described how proxies are voted within the MAS program

Item 19 – Requirements for State-Registered Advisers

- Removed this section in its entirety as Freedman Financial has shifted from being state registered advisor to being federally registered

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Item 4 - Advisory Business

Freedman Financial Associates, Inc. (“Freedman Financial”, “we” or “our”)) was established in 1968 by Barry Freedman and is now owned and operated by his son, Marc Freedman. Prior to 2012, the principals of Freedman Financial provided management services through other investment advisory firms. Marc Freedman began providing such services in 1991 and Marion Gilman began providing such services in 2000.

Financial Planning Services

Freedman Financial provides advice to clients on issues involving personal financial planning matters. This may include, but not be limited to, investments, risk management, wealth accumulation, cash flow planning, tax management, and estate planning. Our firm provides a customized, personally written financial plan which includes recommendations and implementation strategies which the client can choose to implement on their own.

Manager Access Select

Freedman Financial offers the LPL Financial, LLC (“LPL”) Manager Access Select (“MAS”) advisory program. The MAS program makes the advisory services of third party management firms (“Portfolio Managers”) available to clients. Freedman Financial will assist the client in determining the investment objective, as well as selecting an investment strategy and Portfolio Manager, for the account. The Portfolio Manager selected by the client will manage the MAS account on a discretionary basis. The types of securities that may be purchased by the Portfolio Manager include stocks, bonds, mutual funds and ETFs. A Portfolio Manager may also hire one or more sub-advisors to manage all or a portion of the MAS account. Freedman Financial will provide the client with ongoing advice and monitoring of the Portfolio Manager’s services and acts as the point of contact between the client and Portfolio Manager.

LPL serves as an investment advisor for the MAS program. In addition, LPL provides custodial, brokerage and administrative services to clients. LPL also provides research information to Freedman Financial, which may assist us in determining which Portfolio Managers to recommend to clients. Clients will be required to enter into an account agreement with Freedman Financial, LPL and the selected Portfolio Manager in order to open an MAS account and engage us for services. You will have the opportunity to impose restrictions on investing in certain securities or types of securities when completing this agreement.

Additional Services

Freedman Financial also offers asset management services through a wrap fee program (“Wrap Program”). For more information regarding our Wrap Program, please contact us to request a copy of the Freedman Financial Wrap Program Brochure or visit the SEC website at www.advisorinfo.sec.gov.

Assets Under Management

As of December 31, 2012 Freedman Financial has \$179,300,000 assets under management on a discretionary basis and no assets under management on a non-discretionary basis.

Item 5 - Fees and Compensation

The amount of advisory fees will be disclosed prior to services being provided and agreed upon in the appropriate written investment advisory agreement.

Financial Planning

Clients pay a fee, based on an hourly rate of \$250, to Freedman Financial with a minimum financial planning fee of \$1,500 not to exceed a maximum of \$20,000. One half of the proposed fee is due at signing of the financial planning agreement and the client is billed for the balance upon delivery of the financial plan.

The client or Freedman Financial can terminate the financial planning agreement at any time by providing written notice to the other party. Upon termination the client is entitled to a prorate refund of the unearned portion of any prepaid fee. Any fees owed to Freedman Financial by the client upon termination will be billed to the client.

The advisory representatives associated with Freedman Financial are also separately registered as licensed securities representatives with LPL. In such capacity, the advisory representatives may sell securities to clients and receive normal and customary compensation (e.g, commissions and 12b-1 fees or trails) as a result of the securities transactions. This presents a conflict of interest in that the advisory representatives have an incentive to recommend investments when providing financial planning services based on compensation received rather than client needs. To address this conflict, clients are advised that they are under no obligation to use an advisory representative of Freedman Financial for implementation of financial planning recommendations; investment products and asset management services may be purchased through other brokers or agents not affiliated with the advisory representatives. In addition, to the extent that client's do subsequently hire an advisory representative of Freedman Financial for assistance in his/her capacity as a registered representative of LPL or as an advisory representative of Freedman Financial, additional discussions take place regarding the relationship and, in the case of opening an MAS or Wrap Program account, the client would be required to enter into a written investment advisory agreement with Freedman Financial.

Notwithstanding the above, if a client chooses to establish an asset management relationship with Freedman Financial by opening a MAS or Wrap Program account, future financial planning fees, including any current outstanding balance, may be waived at the discretion of Freedman Financial.

For additional information, refer to Item 12 – Brokerage Practices.

Manager Access Select

The annual advisory fee for MAS is a maximum of 3%, and is based on a percentage of the market value of your account, including cash holdings. Advisory fees are negotiable between Freedman Financial and the client, and the amount of the advisory fee will be as stated in the MAS account agreement.

Advisory fees are billed quarterly in advance and calculated based on the account's market value on the last business day of the prior quarter. LPL, as the qualified custodian for the MAS account, is responsible for calculating and deducting all advisory fees from your account. LPL may charge miscellaneous administrative and custodial-related fees and charges that may apply to an MAS account.

The advisory fee will be shared among Freedman Financial, the Portfolio Manager, and LPL. As the amount of the fee charged by one Portfolio Manager may differ from the amount charged by another Portfolio Manager, Freedman Financial may have a financial incentive to recommend a Portfolio Manager that charges less than others. We take our responsibilities to clients very seriously and we will only recommend a Portfolio Manager if we believe it is appropriate and in the client's best interests.

As the MAS program may invest in mutual funds and ETFs, you should understand that you will pay the fund a management fee and other expenses as a shareholder of the fund in addition to paying an advisory fee to Freedman Financial, the Portfolio Manager and LPL. As the funds may be purchased directly, you could avoid the second layer of fees by not using the management services offered through the MAS program and by making your own investment decisions.

Advisory representatives of Freedman Financial are also separately registered as licensed securities representatives of LPL. In this capacity, the advisory representatives can sell securities to clients and receive compensation in the form of commissions and 12b-1 fees or trails. However, such compensation will not be received in connection with investments made in MAS program accounts.

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

You may terminate the agreement for services with us at any time with written notice. Upon termination, any prepaid, unearned fees will be refunded.

For additional information, refer to Item 12 – Brokerage Practices and the MAS disclosure document and account agreement.

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

This Item is not applicable as Freedman Financial does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 - Types of Clients

The majority of our clients are typically individuals and families. We currently have an equal number of clients in their retirement years as we do in the accumulation phase of their life.

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

Freedman Financial offers the investment advisory services described in this brochure through its advisory representatives. For more information about the advisory representatives managing or handling your account, refer to the brochure supplement for the advisory representative, a copy of which you should have received along with this brochure.

Freedman Financial relies on a variety of financial planning software programs to assist delivering a financial plan that complies with the “Financial Planning Process” issued by the Certified Financial Planning Board of Standards.

Freedman Financial uses a fundamental approach to analyzing investment alternatives for recommendation within a financial plan. Fundamental analysis means that the overall business is considered by reviewing a business’ financial statements and financial health, its management and competitive advantages, and its competitors and markets. Freedman Financial uses a variety of sources of data to conduct analysis, such as financial newspapers and magazines, research materials prepared by others, information learned during due diligence meetings or other conferences, other online resources, annual reports and prospectuses.

Within the MAS account, the Portfolio Manager is responsible for determining the methods of analysis and investment strategy for handling the client’s account. Please refer to the LPL MAS brochure for more information.

Investing in securities involves risk of loss that clients should be prepared to bear.

Item 9 - Disciplinary Information

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of our advisory business or the integrity of our management. We have no information applicable to this Item.

Item 10 - Other Financial Industry Activities and Affiliations

Freedman Financial is only in the business of providing investment advice as described above and in our Wrap Program Brochure. However, Marc S. Freedman and Marion B. Gilman are registered representatives through LPL. In this capacity they can sell securities to clients and receive compensation in the form of commissions. Clients purchasing securities from Mr. Freedman or Ms. Gilman in their capacity as licensed securities representatives will receive certain disclosure documents (e.g., prospectus, brokerage account agreement) when conducting such transactions. For more information, refer to Item 5 – Fees and Compensation. LPL’s parent company, LPL Investment Holdings, Inc., is a publicly traded company with shares listed on The NASDAQ Global Select Market under the trading symbol “LPLA”. Mr. Freedman and Ms. Gilman are shareholders of LPLA.

Marc S. Freedman and Marion B. Gilman are licensed insurance agents through numerous insurance companies. In such a capacity, they may offer insurance products and receive normal and customary commissions as a result of such a purchase. This may present a conflict of interest to the extent that they recommend the purchase of an insurance product which results in a commission being paid to them as an insurance agent. Clients purchasing insurance from Mr. Freedman or Ms. Gilman will receive certain disclosure documents and complete and insurance application process when conducting such transactions. They spend less than 5% of their time on this activity.

Marc S. Freedman is also a professional public speaker and is regularly hired to speak both domestically and internationally on helping advisors become better financial planners. In some cases, he may be paid for these speaking engagements.

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

As Certified Financial Planner professionals, Marion B. Gilman and Marc S. Freedman are required to abide by a strict code of ethics issued by the Certified Financial Planner Board of Standards to act in a fiduciary-like capacity whenever engaging with their clients.

In addition, Freedman Financial has adopted a Code of Ethics which establishes standards of conduct for its supervised persons. The Code of Ethics includes general requirements that such supervised persons comply with their fiduciary obligations to clients and other applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires supervised persons to report their personal securities transactions and holdings quarterly to Freedman Financial, and requires Freedman Financial to review those reports. Each supervised person receives a copy of the Code of Ethics and must acknowledge in writing having received the materials. Clients and prospective clients may obtain a copy of the Code of Ethics by contacting Freedman Financial.

It is our policy not to affect any principal trades for client accounts. Principal trades are generally defined as transactions where an advisor, acting for its own account, buys from or sells

a security to an advisory client. It is also our policy not to cross trades between your account and the account of another client.

Freedman Financial and its advisory representatives may buy or sell securities for our personal accounts identical to those recommended to clients. This creates a potential conflict of interest. It is our policy that all persons associated with us in any manner must place the interests of clients ahead of their own when making personal investments. In addition, we require that client transactions be placed before our own transactions. We also monitor trading by our advisory representatives.

Item 12 - Brokerage Practices

LPL serves as the exclusive broker/dealer to execute transactions for the MAS account; this is a requirement to open a MAS account. LPL is not paid a commission for executing transactions in the account. Because advisory representatives of Freedman Financial are licensed with LPL, this presents a conflict of interest. Clients should understand that not all advisors require their clients to direct brokerage. By directing brokerage to LPL, clients may be unable to achieve the most favorable execution of client transactions. Therefore, directed brokerage may cost clients more money.

Freedman Financial may receive support services and/or products from LPL, which assist Freedman Financial to better monitor and service client accounts maintained at LPL. These support services and/or products may be received without cost, at a discount, and/or at another negotiated rate, and may include the following:

- 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
- consulting services
- attendance at conferences, meetings, and other educational and/or social events
- marketing support
- computer hardware and/or software
- other products used by Freedman Financial in furtherance of its investment advisory business operations

Clients do not pay more for services as a result of this arrangement. There is no corresponding commitment made by Freedman Financial to LPL or any other entity to invest any specific amount or percentage of client assets in any specific securities or programs as a result of this arrangement.

Portfolio Managers in MAS may aggregate transactions for a client with other clients to improve the quality of execution. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the client account will be deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained.

Portfolio Managers may determine not to aggregate transactions, for example, based on the size of the trades, the number of client accounts, the timing of the trades, the liquidity of the securities, and the discretionary or non-discretionary nature of the trades. If they do not aggregate orders, some clients purchasing securities around the same time may receive a less favorable price than other clients. This means that this practice of not aggregating may cost clients more money.

The financial planning services offered by Freedman Financial conclude upon delivery of the written financial plan. The services offered do not include implementation of recommendations or any transactions. Clients are under no obligation to implement the planning recommendations through associated persons of Freedman Financial. Clients are free to select any broker/dealer or investment advisor for implementation.

If clients wish to have either Mr. Freedman or Ms. Gilman assist with implementation in their capacity as registered representatives or independent insurance agents, such products and services would be offered through LPL. In addition, Mr. Freedman or Ms. Gilman would receive normal and customary commissions from any securities or insurance transactions or normal and customary advisory fees for any account management.

Item 13 - Review of Accounts

Advisory representatives conduct periodic reviews of MAS accounts to ensure that the Portfolio Managers remain appropriate for clients. Client account reviews may also be triggered upon client request, a change in client circumstances, or unusual market activity.

During any month that there is activity in an MAS account, you will receive a monthly account statement from LPL showing account activity as well as positions held in the account at month end. Additionally, you will receive a confirmation of each transaction that occurs unless the transaction is a result of a systematic purchase, redemption or exchange. You will also receive a detailed quarterly performance report prepared by LPL.

As stated above, the financial planning services terminate upon delivery of the financial plan. Thus, there are no ongoing reviews conducted by Freedman Financial. The client may choose to engage Freedman Financial for subsequent services to review and update the written plan at any time. This may be done upon the frequency determined by the client, but not less than annually. Such reviews are conducted by Marc. S. Freedman or Marion B. Gilman.

Notwithstanding the above, Marc S. Freedman and Marion B. Gilman maintain financial plans for all clients who maintain an investment advisory relationship with Freedman Financial.

Freedman Financial may provide periodic reports to clients upon request regarding specific financial planning goals or issues. Clients are reminded that these reports are not the official statements, and that such official statements would be provided by the custodian holding client assets.

Item 14 - Client Referrals and Other Compensation

Freedman Financial does not offer compensation for any client referrals.

As a result of our relationship with LPL, we may receive production bonuses, stock options to purchase shares of LPL's parent company, and other things of value such as free or reduced-cost attendance at LPL's national sales conference or top producer forums and events. Such compensation may be based on overall business produced and/or on the amount of assets serviced through LPL. Thus, there is a financial incentive for us to recommend that you establish a MAS account so that we will be compensated. We take our responsibilities to clients very seriously and we will only recommend that clients hire us for management services if we believe it is appropriate and in the client's best interests.

Item 15 - Custody

Freedman Financial does not have custody of client funds or securities. Custody for all MAS accounts is maintained by LPL, a qualified custodian. You will receive account statements from LPL at least quarterly. We encourage you to review these statements upon receipt. In addition, LPL will provide you with quarterly performance reports for your MAS account.

We will not have access to your funds or securities with the exception of having advisory fees deducted from your account and paid to us by LPL as the custodian. Any fee deduction will be done pursuant to your prior written authorization provided to LPL.

We may provide you with additional, customized reporting from time to time and upon request. This additional reporting does not take the place of the official statements you receive from LPL.

Item 16 - Investment Discretion

Within MAS, we do not have any discretionary authority with respect to your account. The Portfolio Manager is the party with discretion and responsibility for account management. For further information about MAS, kindly refer to the MAS disclosure brochure.

Item 17 - Voting Client Securities

Freedman Financial does not vote proxies on behalf of client securities. Proxy information for any securities that are owned by the client would be sent directly to the client by the broker/dealer or custodian with custody of the securities. We will not be providing you with this information. Within a MAS account, the Portfolio Manager is responsible for voting proxies unless the client notifies the Portfolio Manager in writing that he/she wishes to be responsible for voting proxies.

Item 18 - Financial Information

Freedman Financial is required to provide clients with certain information or disclosures about its financial condition. Freedman Financial has no financial commitment that impairs its ability to meet contractual or fiduciary commitments to clients, and it has not been the subject of a bankruptcy petition.