

Freedman Financial Associates, Inc.

Wrap Program Brochure
(Form ADV Appendix 1)

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This wrap fee program 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. 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.

Freedman Financial Associates, Inc. is a registered investment advisor. Registration does not imply any level of skill or training.

Additional information about Freedman Financial Associates, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This Brochure is dated March 7, 2016. There have been no material changes made to this Brochure since the date of our last brochure on January 12, 2015.

Item 3 – Table of Contents

	Page
Item 1 – Cover Page.....	1
Item 2 – Material Changes.....	2
Item 3 – Table of Contents.....	2
Item 4 – Services, Fees and Compensation.....	3
Services.....	3
Fees.....	3
Other Types of Fees and Charges.....	4
Other Important Considerations.....	5
Item 5 – Account Requirements and Types of Clients.....	6
Item 6 – Portfolio Manager Selection and Evaluation.....	6
Methods of Analysis and Investment Strategies.....	6
Voting of Client Securities.....	8
Item 7 – Client Information Provided to Portfolio Managers.....	8
Item 8 –Client Contact with Portfolio Managers.....	8
Item 9 –Additional Information.....	8
Disciplinary Information.....	8
Other Financial Industry Activities and Affiliations.....	9
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	9
Review of Accounts.....	10
Client Referrals and Other Compensation.....	10
Financial Information.....	11
Custody.....	11
Investment Discretion.....	11
Brokerage Practices.....	11

Item 4 – Services, Fees and Compensation

Services

Freedman Financial Associates, Inc. (“Freedman Financial”) offers discretionary asset management services through a program account (the “Program”) based on the individual needs of clients (“client”, “you” or “your”). Understanding your personal situation is very important to the services we provide. Therefore, we will have detailed discussions with you to understand your current financial situation and investments, goals, risk tolerance and investment objectives. The investment objective you select, which could range from income with capital preservation to aggressive growth, will guide us in managing your account. In the Program we provide management services using a variety of investment types, including but not limited to, no-load and load-waived mutual funds, exchange traded funds (“ETF”), unit investment trusts, and individual stocks and bonds.

In order for Freedman Financial to manage your assets, you will be required to establish a Program account in your name at LPL Financial, LLC (“LPL”), a registered broker/dealer and qualified custodian. LPL provides clearing, custody and other brokerage services for accounts established through the Program. You will retain all rights of ownership on your account, including the right to withdraw securities or cash, vote proxies, and receive transaction confirmations. In addition, you will also have the ability to impose restrictions on investing in certain securities or types of securities at the time you open the account. You may also elect to have us manage your account on a non-discretionary basis.

In order to hire us to provide management services, you will be asked to enter into a written investment advisory agreement with us. This agreement will set forth the terms and conditions of our relationship, including the amount of your investment advisory fee. You will also be asked to complete a brokerage account application with LPL.

Freedman Financial also offers additional investment advisory services to clients. For more information regarding our other services, please contact us to request a copy of the Freedman Financial Firm Brochure or visit the SEC website at www.advisorinfo.sec.gov.

Fees

In a Program account, the client pays a single annual advisory fee for advisory services and execution of transactions. Clients do not pay brokerage commissions, markups or transaction charges for execution of transactions in addition to the advisory fee.

The annual advisory fee for management services is a maximum of 2%, and is based on a percentage of the market value of your account, including cash holdings. The advisory fee is negotiable at the discretion of Freedman Financial. 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 Program account, is responsible for calculating and deducting all advisory fees from the account based upon written authorization from the client.

The amount of the advisory fee is set out in the written investment advisory agreement. The advisory fee may be higher than the fee charged by other investment advisors for similar services. The advisory fee is paid to Freedman Financial and is shared between Freedman Financial and its advisory representatives. Freedman Financial does not accept performance-based fees for Program accounts.

If the written advisory agreement is terminated before the end of the quarter, the client is entitled to a pro-rated refund of any prepaid quarterly advisory fee based on the number of days remaining in the quarter after the termination date.

Although clients do not pay a transaction charge for transactions in a Program account, clients should be aware that Freedman Financial pays LPL transaction charges for the transactions. The transaction charges paid by Freedman Financial vary based on the type of transaction (e.g., mutual fund, equity or fixed income security) and range from \$0 to \$50.00. Because Freedman Financial pays the transaction charges in Program accounts, there is a conflict of interest. Clients should understand that the cost to Freedman Financial of transaction charges may be a factor that Freedman Financial considers when deciding which securities to select and how frequently to place transactions in a Program account.

Other Types of Fees and Charges

Program accounts will incur additional fees and charges from parties other than Freedman Financial as noted below. These fees and charges are in addition to the advisory fee paid to Freedman Financial. Freedman Financial does not share in any portion of these third party fees.

LPL, as the custodian and broker-dealer providing brokerage and execution services on Program accounts, will impose certain fees and charges. LPL notifies clients of these charges at account opening and makes available a list of these fees and charges on its website at www.lpl.com. LPL will deduct these fees and charges directly from the client's Program account.

There are other fees and charges that are imposed by other third parties that apply to investments in Program accounts. Some of these fees and charges are described below.

- If a client's assets are invested in mutual funds or other pooled investment products, clients should be aware that there will be two layers of advisory fees and expenses for those assets. In addition to the advisory fee that is paid to Freedman Financial for management services, the Client will pay an advisory fee to the fund manager and other expenses as a shareholder of the fund. As many of the funds available in the program may be purchased directly, you could avoid the second layer of fees by making your own fund investment decisions; but you would no longer receive the management services of Freedman Financial in that situation.
- Certain mutual funds impose fees and charges such as contingent deferred sales charges, early redemption fees and charges for frequent trading. These charges may apply if client transfers into or purchases such a fund with the applicable charges in a Program account.

- Although only no-load and load-waived mutual funds can be purchased in a Program account, client should understand that some mutual funds pay asset based sales charges or service fees (e.g., 12b-1 fees) to the custodian with respect to account holdings. Freedman Financial generally attempts to avoid funds that pay 12b-1 fees where possible.
- If a client's assets are invested in variable annuities, client should be aware that there will be two layers of advisory fees and expenses for those assets. Client will pay mortality, expense and administrative charges to the variable annuity sponsor. Client will also pay Freedman Financial the advisory fee with respect to those assets. The variable annuity sponsor will also charge fees for additional riders purchased on an annuity contract, and charges for excessive transfers within a calendar year if imposed by the variable annuity sponsor.
- Unit Investment Trust creation and development fees or similar fees imposed by UIT sponsors.
- Certain retirement accounts - IRA and qualified retirement plan fees
- Certain trust accounts - Administrative servicing fees for trust accounts
- Sweep money market funds and cash balances – 12b-1 fees or other fee based on average daily deposit balances
- Other charges required by law and imposed by the executing broker/dealer or custodian

Further information regarding fees assessed by a mutual fund or variable annuity is available in the appropriate prospectus, which is available upon request from Freedman Financial or from the product sponsor directly.

Other Important Considerations

- The advisory fee is an ongoing wrap fee for investment advisory services, the execution of transactions and other administrative and custodial services. The advisory fee may cost the client more than purchasing the program services separately, for example, paying an advisory fee plus commissions for each transaction in the account. Factors that bear upon the cost of the account in relation to the cost of the same services purchased separately include the type and size of the account, historical and or expected size or number of trades for the account, and number and range of supplementary advisory and client-related services provided to the client.
- The advisory fee also may cost the client more than if assets were held in a traditional brokerage account. In a brokerage account, a client is charged a commission for each transaction, and the representative has no duty to provide ongoing advice with respect to the account. If the client plans to follow a buy and hold strategy for the account or does not wish to purchase ongoing investment advice or management services, the client might consider opening a commission-based brokerage account rather than a Program account.

- Freedman Financial is recommending the Program account to the client and receives compensation as a result of the client's participation in the program. This compensation includes the advisory fee and also may include other compensation, such as bonuses, awards or other things of value offered by LPL to Freedman Financial or its advisory representatives. Such compensation may be based on overall business produced and/or on the amount of assets serviced through LPL. The amount of this compensation may be more or less than what Freedman Financial would receive if the client participated in other programs, or paid separately for investment advice, brokerage and other client services. Therefore, Freedman Financial may have a financial incentive to recommend a Program account over other programs and services. We take our responsibilities 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.
- The investment products available to be purchased in the program can be purchased by clients outside of a Program account, through broker-dealers or other investment firms not affiliated with Freedman Financial.

Item 5 –Account Requirements and Types of Clients

Freedman Financial provides services to individuals and families.

Item 6 –Portfolio Manager Selection and Evaluation

In a Program account, Freedman Financial does not select, review or recommend other investment advisors or portfolio managers. Freedman Financial, through its advisory representatives, is responsible for the investment advice and management offered to clients. Freedman Financial generally requires that individuals involved in determining or giving investment advice have a college degree and/or relevant industry training and experience. For more information about the Freedman Financial advisory representative managing the account, client should refer to the Brochure Supplement for the advisory representative, which client should have received along with this Brochure at the time client opened the Program account.

LPL performs certain administrative services for Freedman Financial, including generation of quarterly performance reports for Program accounts. Client will receive an individual quarterly performance report, which provides performance information on a time weighted basis. The performance reports are intended to inform clients as to how their investments have performed for a period, both on an absolute basis and compared to leading investment indices.

Methods of Analysis and Investment Strategies

It is important to keep in mind that there is no specific approach to investing that guarantees success or positive returns; investing in securities involves risk of loss that clients should be prepared to bear.

Prior to recommending that you open a Program account or making any decisions with respect to managing your account, we will work with you to understand your complete financial situation.

Within a Program account, our goal is to construct a portfolio using an asset allocation mix that is appropriately diversified and consistent with your investment objective for the Program account. We will invest and manage your portfolio based upon your desired risk level and investment objective and then monitor your account and rebalance it as necessary when the percentages of certain holdings exceed or fall below our target allocations.

We typically manage Program accounts or otherwise provide investment advice focusing on one of the following investment objectives based on the client's goals and risk tolerance; income with capital preservation, income with moderate growth, growth with income, growth or aggressive growth. The allocation of assets to different mutual funds or other securities in a Program account will be made based on these overall objectives.

We generally use the following types of investment vehicles within Program accounts: mutual funds (including international funds, emerging market funds, real estate funds, and high yield bond funds), ETFs (including commodity funds, precious metal funds and agricultural funds), and individual stocks and bonds. The particular investments selected for your Program account will depend upon your investment objective, level of risk tolerance, sensitivity to taxes, and other factors.

There are risks associated with investing in securities. The following highlights some of the risks associated with the types of investments that may be purchased for your account:

- Investing in international markets presents additional risks including currency fluctuations, the potential for diplomatic and political instability, regulatory and liquidity risks and foreign taxation among others. The risks of foreign investing are generally greater in emerging markets.
- High yield bonds carry greater risks than bonds rated as investment grade. For example, they are issued by organizations that do not qualify for an investment grade rating by one of the rating agencies because of the potential for higher default by the issuer. Another risk is that further financial difficulties by the issuer may result in a decrease in the market value, and this may make it impossible to liquidate the bond prior to maturity.
- ETFs are typically investment companies that are legally classified as open end mutual funds or UITs. However, they differ from traditional mutual funds, in particular, in that ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly-traded companies. ETF shares may trade at a discount or premium to their net asset value. This difference between the bid price and the ask price is often referred to as the "spread." The spread varies over time based on the ETF's trading volume and market liquidity, and is generally lower if the ETF has a lot of trading volume and market liquidity and higher if the ETF has little trading volume and market liquidity. Although many ETFs are registered as an investment company under the Investment Company Act of 1940 like traditional mutual funds, some ETFs, in particular those that invest in commodities, are not registered as an investment company.

We may use either a fundamental or technical method for analyzing investment opportunities for Program accounts. 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. Technical analysis is an investment analysis

discipline that attempts to forecast the direction of prices through the study of historical trends in past market data, primarily price and volume. Of course, past performance does not guarantee future results.

We consider the overall economy, both domestically and globally, when selecting specific investments and making asset allocation decisions. We also consider current and recent market levels and volatility when making management decisions. We use a variety of sources of data to conduct our economic, investment and market analysis, such as economic and market research materials prepared by economists and other market professionals, conference calls and educational/due diligence meetings hosted by mutual funds and other money managers, financial publications, corporate rating services, annual reports, prospectuses, and company press releases.

Voting Client Securities

Freedman Financial does not have any authority to vote client securities or proxies on your behalf. Proxy information for any securities which are held in your account will be sent to you by LPL as the custodian of your funds and securities. We will not be providing you with this information. If you have any questions about a particular solicitation, you may contact us for general information.

Item 7 – Client Information Provided to Portfolio Manager

In the Program account, Freedman Financial, through its advisory representatives, is responsible for account management; there is no separate portfolio manager involved. Freedman Financial obtains the necessary financial data from the client and assists the client in setting an appropriate investment objective for the account. We obtain this information through detailed discussions and by having the client complete a written investment advisory agreement and other documentation. Clients are encouraged to contact us if there have been any changes in the client's financial situation or investment objectives or if they wish to impose any reasonable restrictions on the management of the account or reasonably modify existing restrictions. Client should be aware that the investment objective selected for the program is an overall objective for the entire account and may be inconsistent with a particular holding and the account's performance at any time. Client should further be aware that achievement of the stated investment objective is a long-term goal for the account.

Item 8 – Client Contact with Portfolio Manager

Client should contact his/her advisory representative at any time with questions regarding a Program account.

Item 9 –Additional Information

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 not been involved in any legal or disciplinary events, and therefore have no information to disclose for this Item.

Other Financial Industry Activities and Affiliations

Freedman Financial is only in the business of providing investment advice as described above. However, as also noted above, advisory representatives of Freedman Financial are registered representatives of LPL Financial, an SEC registered broker/dealer and member of the Financial Industry Regulatory Authority. In this capacity the advisory representative can sell securities to clients and receive normal and customary compensation in the form of commissions. However, such compensation will not be received in connection with investments made in Program accounts. Client's purchasing securities from an advisory representative outside of a Program account will receive disclosure documents (e.g., prospectus, brokerage account agreement) when conducting such transactions.

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". Certain of our advisory representatives are shareholders and/or option holders of LPLA.

Advisory representatives are also licensed as independent insurance agents and appointed through various insurance companies to offer fixed insurance. In such capacity, the advisory representatives can sell insurance products to clients and receive normal and customary compensation in the form of commissions. Client's purchasing insurance from advisory representatives will receive certain disclosure documents and complete an insurance application process when conducting such transactions.

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.

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

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.

LPL's parent company, LPL Investment Holdings Inc., is a publicly traded company. Freedman Financial does not recommend or solicit orders of LPL Investment Holdings Inc. stock in Program accounts.

Review of Accounts

Advisory representatives review the performance of individual mutual funds and ETFs on a regular basis to determine whether to add/delete a fund for/from consideration, or increase/decrease the percentage of assets allocated to the fund. Advisory representatives also conduct reviews of client Program accounts on a frequency (quarterly, semi-annually or annually) determined with the client for consistency with the client's stated investment objectives, among other factors. Client account reviews may also be triggered upon client request, a change in client circumstances, or unusual market activity.

All Program accounts are also subjected to a risk based exception reporting system that flags accounts on a quarterly basis for criteria such as performance, trading activity and position concentration. The exception reporting identifies accounts where additional scrutiny or analysis by us may be appropriate.

During any month that there is activity in a Program account, you will receive a monthly account statement from LPL as the custodian 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 on our behalf. All account data and statements are also available online through the LPL Account View portal.

Client Referrals and Other Compensation

We do not compensate any party for client referrals.

Freedman Financial and its advisory representatives may receive additional compensation from product sponsors. However, such compensation may not be tied to the sales of any products. Compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings or marketing or advertising initiatives. Product sponsors may also pay for education or training events that may be attended by Freedman Financial's employees and advisory representatives.

Financial Information

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

Custody

We do not have custody of client funds or securities. Custody for all Program accounts is maintained by LPL, a qualified custodian. You will receive accounts statements from LPL directly at least quarterly. We encourage you to carefully review these statements upon receipt. In addition, LPL will provide you with quarterly performance reports on our behalf.

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 that you receive from LPL.

Investment Discretion

Upon your written authorization in our investment advisory agreement, we will provide discretionary investment advisory services for your Program account. Our discretionary authority is limited only to affecting trades in your accounts; we will determine the type of securities and the amount of securities that can be bought or sold for your portfolio without obtaining your consent for each trade.

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.

Brokerage Practices

Freedman Financial requires that clients direct LPL as the sole and exclusive broker/dealer to execute transactions for Program accounts. LPL is not paid a commission for executing transactions. 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 as a result of this arrangement.

We 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. We 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 we 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.