

# Item 1: Cover Page



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## **Form ADV Part 2A – Firm Brochure**

Dated: February 9, 2024

This Brochure provides information about the qualifications and business practices of Hale Financial Solutions, LLC “HFS”. If you have any questions about the contents of this Brochure, please contact us at (307) 201-9514. 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.

Hale Financial Solutions, LLC is registered as an Investment Adviser with the state of Wyoming. Registration of an Investment Adviser does not imply any level of skill or training. Additional information about Hale Financial Solutions, LLC is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) which can be found using the firm’s identification number 284620.

# Item 2: Material Changes

The last annual update of this Brochure was filed on March 13, 2023. The following changes have been made to this version of the Disclosure Brochure:

From time to time, we may amend this Brochure to reflect changes in our business practices, changes in regulations, and routine annual updates as required by securities regulators. Either this complete Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of Hale Financial Solutions, LLC.

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# Item 4: Advisory Business

## Description of Advisory Firm

Hale Financial Solutions, LLC (“HFS” or “Advisor”) is registered as an Investment Adviser with the state of Wyoming. We are a limited liability company founded in June 2016 and registered in August of the same year. Timothy (“Tim”) Hale is the principal owner of HFS.

## Types of Advisory Services

### **Investment Management**

We are in the business of managing individually tailored investment portfolios on a discretionary basis. Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. More information regarding our trading authority can be found in Item 16 of this Brochure.

Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy or an investment plan with an asset allocation target and create and manage a portfolio based on that policy and allocation target. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. We may also review and discuss a client's prior investment history, as well as family composition and background.

Account supervision is guided by the stated objectives of the client (e.g., capital appreciation, growth, income, or growth and income), as well as risk tolerance and tax considerations.

HFS may manage investment account(s), when suitable, through Charles Schwab & Co., Inc., a registered broker-dealer, member FINRA and SIPC (“Schwab”) or Betterment for Advisors. Betterment for Advisors is a digital wealth management platform (the “Platform”). Betterment LLC (“Betterment”), a registered investment advisor, serves as a sub-advisor. MTG LLC, dba Betterment Securities (“Betterment Securities”), a registered broker-dealer and member of FINRA and the SIPC, serves as broker-dealer and custodian. HFS is independent of and not owned by, affiliated with, or sponsored or supervised by Schwab, or Betterment or Betterment Securities.

We assist Clients in selecting an appropriate allocation model, completing an investor profile questionnaire, interacting with Schwab or Betterment, and reviewing the appropriateness of these organizations. Our review process and analysis of Schwab and Betterment is further discussed in Item 8 of this Form ADV Part 2A. Additionally, we will meet with the Client on a periodic basis to discuss changes in their personal or financial situation, suitability, and any new or revised restrictions to be applied to the account.

## Financial Planning

We provide financial planning services covering the following topics: financial goals, budgeting and cash flow, debt management, investment planning, retirement planning, education planning, insurance planning, retirement income planning, tax return review / planning, estate planning, and business planning.

Financial planning is an evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. The key defining aspect of financial planning is that through the financial planning process, all questions, information and analysis will be considered as they affect and are affected by the entire financial and life situation of the client.

Clients purchasing this service will receive an electronic report, providing the client with a detailed financial plan designed to achieve his or her stated financial goals and objectives. We provide financial planning services in one of two ways: (i) Clients can engage us for a one-time financial plan regarding one or more of the topics below or (ii) Clients who engage us for investment management services, will receive ongoing financial planning services where we strive to meet at least semi-annually to ensure we are making progress to your financial planning goals.

In general, the financial plan will address any or all of the following areas of concern. These areas may include, but are not limited to, the following:

- **Financial Goal Planning:** We will help clients identify financial goals and develop a plan to reach them. We will identify what you plan to accomplish, what resources you will need to make it happen, how much time you will need to reach each goal, and how much you should budget for your goals.
- **Budgeting / Cash Flow Planning:** We will help clients create a budget if necessary, and conduct a review of your income and expenses to determine your current surplus or deficit along with advice on prioritizing how any surplus should be used or how to reduce expenses if they exceed your income. We may also recommend what we believe to be an appropriate cash reserve that should be considered for emergencies and other financial goals, along with a review of accounts for such reserves, plus strategies to save desired amounts.
- **Debt Management:** Advice may be provided on which debts to pay off first based on factors such as the interest rate of the debt and any income tax ramifications. Trade-offs of savings versus paying off debts will be discussed.
- **Investment Planning:** This may involve developing an asset allocation strategy to meet clients'

financial goals and risk tolerance, providing information on investment vehicles and strategies, as well as assisting you in establishing your own investment account at a selected broker/dealer or custodian. The strategies and types of investments we may recommend are further discussed in Item 8 of this brochure.

- **Education Planning:** Includes projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for you to save the desired amount. Recommendations as to savings strategies are included, and, if needed, we will review your financial picture as it relates to eligibility for financial aid or the best way to contribute to children or grandchildren (if appropriate).
- **Insurance Planning:** Review of existing policies to ensure proper and sufficient coverage for life, health, disability, long-term care, liability, home and automobile. Advice may include discussing pros and cons of changing or surrendering an insurance policy.
- **Retirement Income Planning:** Includes projections of the likelihood of achieving your financial goals, typically focusing on financial independence as the primary objective. For situations where projections show less than the desired results, we may make recommendations including those that may impact the original projections by adjusting certain variables (e.g., working longer, saving more, spending less, taking more risk with investments, or delaying Social Security).

If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.

- **Tax Return Review / Planning:** Advice may include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, we may make recommendations on which type of account(s) or specific investments should be owned based in part on their “tax efficiency,” with consideration that there is always a possibility of future changes to federal, state or local tax laws and rates that may impact your situation.

We recommend that you consult with a qualified tax professional before initiating any tax planning strategy, and we may provide you with contact information for accountants or attorneys who specialize in this area if you wish to hire someone for such purposes. We may participate in meetings or phone calls between you and your tax professional with your approval.

- **Estate Planning:** This usually includes an analysis of your exposure to estate taxes and your current estate plan, which may include whether you have a will, powers of attorney, trusts and other related documents. Our advice also typically includes ways for you to minimize or avoid future estate taxes by implementing appropriate estate planning strategies such as the use of applicable trusts.

We recommend that you consult with a qualified attorney when you initiate, update, or complete estate planning activities. We may provide you with contact information for attorneys who specialize in estate planning when you wish to hire an attorney for such purposes. We may participate in meetings or phone calls between you and your attorney with your approval or request.

- **Business Planning:** This may include a review of your business goals, growth, profitability and cash flows, and tax documents in order to improve business profitability and/or marketability, based on your business and personal goals.

### **Educational Seminars and Speaking Engagements**

We may provide seminars on an “as announced” basis for groups seeking general advice on investments and other areas of personal finance. The content of these seminars will vary depending upon the needs of the attendees. These seminars are purely educational in nature and do not involve the sale of any investment products. Information presented will not be based on any individual’s person’s need, nor does HFS provide individualized investment advice to attendees during these seminars.

### **Client Tailored Services and Client Imposed Restrictions**

We tailor the delivery of our services to meet the individual needs of our Clients. We consult with Clients initially and on an ongoing basis, through the duration of their engagement with us, to determine risk tolerance, time horizon and other factors that may impact the Clients’ investment and/or planning needs.

Clients are able to specify, within reason, any restrictions they would like to place as it pertains to individual securities and/or sectors that will be traded in their account. All such requests must be provided to HFS in writing. HFS will notify Clients if they are unable to accommodate any requests.

### **Wrap Fee Programs**

We do not participate in wrap fee programs.

### **Assets under Management**

As of December 31, 2023, HFS has \$11,547,365 in discretionary assets under management and \$0 in non-discretionary assets under management.

## Item 5: Fees and Compensation

Financial planning services are included in our Investment Management Fee detailed below. Please review the fee and compensation information below.

Please note, unless a client has received the firm's disclosure brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the client within five (5) business days of signing the contract without incurring any advisory fees.

### Investment Management

Our investment management fee is an annual fee based on the market value of the assets under management and is calculated as follows:

- Households whose investable assets with our firm fall under \$1 million pay 1.25 percent.
- Households whose investable assets with our firm are over \$1 million pay 0.75 percent.

Investment management fees are paid quarterly in arrears. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee based on the amount of time remaining in the billing period.

For accounts custodied at Betterment Securities, fees are based on the average daily balance of the account. In addition, Betterment for Advisors charges an additional 0.20% that is separate from HFS's fee.

For accounts custodied at Schwab., fees are based on the last business day of the prior quarter.

Upon written authorization from the Client, investment management fees are directly debited from Client's investment accounts. Clients will be provided an invoice outlining the fee and the custodian will provide the client account statements at least quarterly showing the fee deduction as well. Clients should compare the invoice against the statement and inform the Advisor of any discrepancies.

An account may be terminated with written notice at least 30 calendar days in advance. Since fees are paid in arrears, no rebate will be needed upon termination of the account.

### Investment Management for Small Business Retirement Plans

For Small Business Retirement Plans, including SIMPLE IRAs, our investment management fees are offered at a rate of \$2,400 per year (for up to 5 employee-participants) and \$3,600 per year (for 6 to 15



employee-participants). The fee may be negotiable in certain cases. Pricing for Small Business Retirement Plans with more than 15 employees will be negotiated separately.

Investment management fees are paid quarterly in arrears. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee based on the amount of time remaining in the billing period.

Upon written authorization from the business owner, investment management fees are billed to the business owner. Plan participants (Clients) are not billed separately for investment management services. The small business owner will be provided an invoice outlining the fee. They should compare the invoice against the statement and inform the Advisor of any discrepancies.

An account may be terminated with written notice at least 30 calendar days in advance. Since fees are paid in arrears, no rebate will be needed upon termination of the account.

## Financial Planning Services

The suite of financial planning services (detailed in Item 4) are offered to all clients with a minimum of \$250,000 investable assets. HFS may waive or amend this minimum at its discretion. For Clients with assets less than \$250,000, we provide financial planning services at our hourly rate below.

## Financial Planning Hourly Fee

Financial planning services are offered at a rate of \$200.00 per hour. The fee is due at the completion of the engagement. Clients may terminate this engagement at any time. Upon termination, any fees for the hours already worked will be due upon receipt of invoice.

## Educational Seminars & Speaking Engagements

Educational seminars and speaking engagements are provided for a nominal fee to cover the cost of travel, meals, and/or lodging. Attendees are not expected to pay this fee, rather, the fee is paid by the event sponsor, if applicable. This fee is negotiated separately with the event sponsor.

## Other Types of Fees and Expenses

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual fund and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to our fee, and we shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that we consider in selecting or recommending broker-dealers for

client's transactions and determining the reasonableness of their compensation (e.g., commissions).

We do not accept compensation for the sale of securities or other investment products including asset-based sales charges or service fees from the sale of mutual funds.

## Item 6: Performance-Based Fees and Side-By-Side Management

We do not offer performance-based fees or side by side management.

## Item 7: Types of Clients

We provide financial planning and investment management services to individuals and families. We also provide investment management services to corporations and small businesses.

Our minimum account size requirement to open or maintain an account under our management is \$50,000. HFS may waive or amend this minimum at its discretion.

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

We primarily practice passive investment management. Passive investing involves building portfolios that are composed of various distinct asset classes. The asset classes are weighted in a manner to achieve a desired relationship between correlation, risk and return. Funds that passively capture the returns of the desired asset classes are placed in the portfolio. The funds that are used to build passive portfolios are typically index mutual funds or exchange traded funds.

Passive investment management is characterized by low portfolio expenses (i.e. the funds inside the portfolio have low internal costs), minimal trading costs (due to infrequent trading activity), and relative tax efficiency (because the funds inside the portfolio are tax efficient and turnover inside the portfolio is minimal).

In contrast, active management involves a single manager or managers who employ some method, strategy or technique to construct a portfolio that is intended to generate returns that are greater than the broader market or a designated benchmark. Academic research indicates most active managers underperform the market historically.

### Material Risks Involved

**All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear.** Many of these risks apply equally to stocks, bonds, commodities and any other investment or security. Material risks associated with our investment strategies are listed below.

**Market Risk:** Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition.

**Strategy Risk:** The Adviser's investment strategies and/or investment techniques may not work as intended.

**Small and Medium Cap Company Risk:** Securities of companies with small and medium market capitalizations are often more volatile and less liquid than investments in larger companies. Small and medium cap companies may face a greater risk of business failure, which could increase the volatility of the client's portfolio.

**Turnover Risk:** At times, the strategy may have a portfolio turnover rate that is higher than other strategies. A high portfolio turnover would result in correspondingly greater brokerage commission expenses and may result in the distribution of additional capital gains for tax purposes. These factors may negatively affect the account's performance.

**Limited markets:** Certain securities may be less liquid (harder to sell or buy) and their prices may at times be more volatile than at other times. Under certain market conditions we may be unable to sell or liquidate investments at prices we consider reasonable or favorable, or find buyers at any price.

**Concentration Risk:** Certain investment strategies focus on particular asset-classes, industries, sectors or types of investment. From time to time these strategies may be subject to greater risks of adverse developments in such areas of focus than a strategy that is more broadly diversified across a wider variety of investments.

**Interest Rate Risk:** Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

**Legal or Legislative Risk:** Legislative changes or Court rulings may impact the value of investments, or the securities' claim on the issuer's assets and finances.

**Inflation:** Inflation may erode the buying-power of your investment portfolio, even if the dollar value of your investments remains the same.

## Risks Associated with Securities

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

**Exchange Traded Funds** prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected.

**Investment Companies Risk.** When a client invests in open end mutual funds or ETFs, the client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, many of which may be duplicative. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives). ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their 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 delisted from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. The Adviser has no control over the risks taken by the underlying funds in which client's invest.

## Item 9: Disciplinary Information

### Criminal or Civil Actions

HFS and its management have not been involved in any criminal or civil action.

### Administrative Enforcement Proceedings

HFS and its management have not been involved in administrative enforcement proceedings.

### Self-Regulatory Organization Enforcement Proceedings

HFS and its management have not been involved in legal or disciplinary events that are material to a client's or prospective client's evaluation of HFS or the integrity of its management.

## Item 10: Other Financial Industry Activities and Affiliations

No HFS employee is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

No HFS employee is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor.

HFS does not have any related parties. As a result, we do not have a relationship with any related parties.

HFS only receives compensation directly from clients. We do not receive compensation from any outside source. We do not have any conflicts of interest with any outside party.

## Recommendations or Selections of Other Investment Advisers

As referenced in Item 4 of this brochure, HFS recommends clients to Outside Managers to manage their accounts. In the event that we recommend an Outside Manager, please note that we do not share in their advisory fee. Our fee is separate and in addition to their compensation (as noted in Item 5) and will be described to you prior to engagement. You are not obligated, contractually or otherwise, to use the services of any Outside Manager we recommend. Additionally, HFS will only recommend an Outside Manager who is properly licensed or registered as an investment adviser.

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

As a fiduciary, our firm and its associates have a duty of utmost good faith to act solely in the best interests of each client. Our clients entrust us with their funds and personal information, which in turn places a high standard on our conduct and integrity. Our fiduciary duty is a core aspect of our Code of Ethics and represents the expected basis of all of our dealings.

The firm also adheres to its Code of Ethics and accepts the obligation not only to comply with the mandates and requirements of all applicable laws and regulations but also to take responsibility to act in an ethical and professionally responsible manner in all professional services and activities.

## Code of Ethics Description

This code does not attempt to identify all possible conflicts of interest, and literal compliance with each of its specific provisions will not shield associated persons from liability for personal trading or other conduct that violates a fiduciary duty to advisory clients. A summary of the Code of Ethics' Principles is outlined below.

- **Integrity** - Associated persons shall offer and provide professional services with integrity.
- **Objectivity** - Associated persons shall be objective in providing professional services to clients.
- **Competence** - Associated persons shall provide services to clients competently and maintain the necessary knowledge and skill to continue to do so in those areas in which they are engaged.
- **Fairness** - Associated persons shall perform professional services in a manner that is fair and reasonable to clients, principals, partners, and employers, and shall disclose conflict(s) of interest in providing such services.
- **Confidentiality** - Associated persons shall not disclose confidential client information without the specific consent of the client unless in response to proper legal process, or as required by law.
- **Professionalism** - Associated persons' conduct in all matters shall reflect credit of the profession.
- **Diligence** - Associated persons shall act diligently in providing professional services.

We periodically review and amend our Code of Ethics to ensure that it remains current, and we require all firm access persons to attest to their understanding of and adherence to the Code of Ethics at least annually. Our firm will provide a copy of its Code of Ethics to any client or prospective client upon request.

## Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

Neither our firm, its associates or any related person is authorized to recommend to a client, or effect a transaction for a client, involving any security in which our firm or a related person has a material financial interest, such as in the capacity as an underwriter, adviser to the issuer, etc.

## Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

Our firm and its "related persons" may buy or sell securities similar to, or different from, those we recommend to clients for their accounts. In an effort to reduce or eliminate certain conflicts of interest involving the firm or personal trading, our policy may require that we restrict or prohibit associates' transactions in specific reportable securities transactions. Any exceptions or trading pre-clearance must be approved by the firm principal in advance of the transaction in an account, and we maintain the required personal securities transaction records per regulation.

## Trading Securities At/Around the Same Time as Client's Securities

From time to time, our firm or its “related persons” may buy or sell securities for themselves at or around the same time as clients. We will not trade non-mutual fund securities 5 days prior to the same security for clients.

## Item 12: Brokerage Practices

### Factors Used to Select Custodians and/or Broker-Dealers

We do not have any affiliation with Broker-Dealers. Specific custodian recommendations are made to clients based on their need for such services. We recommend custodians based on the reputation and services provided by the firm.

In recommending custodians, we have an obligation to seek the “best execution” of transactions in Client accounts. The determinative factor in the analysis of best execution is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of the custodian’s services. The factors we consider when evaluating a custodian for best execution include, without limitation, the custodian’s:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody);
- Capability to execute, clear, and settle trades (buy and sell securities for your account);
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.);
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.);
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services;
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices;
- Reputation, financial strength, security and stability;
- Prior service to us and our clients.

### The Custodian and Brokers We Use

CHARLES SCHWAB & CO., INC.

With this in consideration, our firm recommends Charles Schwab & Co., Inc., a registered broker-dealer, member FINRA and SIPC (“Schwab”). Although Clients may request us to use a custodian of their choosing, we generally recommend that Clients open brokerage accounts with Schwab. We are not affiliated with Schwab. The Client will ultimately make the final decision of the custodian to be used to hold the Client’s investments by signing the selected custodian’s account opening documentation.

## Research and Other Soft-Dollar Benefits

Advisor does not have any soft-dollar arrangements with custodians whereby soft-dollar credits, used to purchase products and services, are earned directly in proportion to the amount of commissions paid by a Client. However, as a result of being on their institutional platform, Schwab may provide us with certain services and products that may benefit us. All such soft dollar benefits are consistent with the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended.

Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like us. They provide our Clients and us with access to their institutional brokerage services (trading, custody, reporting and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our Clients' accounts, while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. The benefits received by Advisor or its personnel do not depend on the number of brokerage transactions directed to Schwab. As part of its fiduciary duties to Clients, Advisor at all times must put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits by Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor's choice of Schwab for custody and brokerage services. This conflict of interest is mitigated as Advisor regularly reviews the factors used to select custodians to ensure our recommendation is appropriate. Following is a more detailed description of Schwab's support services:

- Services that benefit you. Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of Client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our Clients. Schwab's services described in this paragraph generally benefit you and your account.
- Services that may not directly benefit you. Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our Clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our Clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:
  - provide access to Client account data (such as duplicate trade confirmations and account statements)
  - facilitate trade execution and allocate aggregated trade orders for multiple Client



- accounts
  - provide pricing and other market data
  - facilitate payment of our fees from our Clients' accounts
  - assist with back-office functions, recordkeeping, and Client reporting
- Services that generally benefit only us. Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:
  - Educational conferences and events
  - Consulting on technology, compliance, legal, and business needs
  - Publications and conferences on practice management and business succession
- Your brokerage and custody costs. For our Clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, many mutual funds and ETFs) may not incur Schwab commissions or transaction fees.

#### Brokerage for Client Referrals

We receive no referrals from a custodian, broker-dealer or third party in exchange for using that custodian, broker-dealer or third party.

#### Clients Directing Which Broker/Dealer/Custodian to Use

We do recommend a specific custodian for Clients to use, however, Clients may custody their assets at a custodian of their choice. Clients may also direct us to use a specific custodian to execute transactions. By allowing Clients to choose a specific custodian, we may be unable to achieve the most favorable execution of Client transactions and this may cost Clients money over using a lower-cost custodian.

#### BETTERMENT SECURITIES

In addition to Schwab, we may recommend that Clients use MTG, LLC dba Betterment Securities ("Betterment Securities"), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Betterment Securities. Betterment Securities will hold your assets in a brokerage account and buy and sell securities when we and/or you instruct them to. While we may recommend that you use Betterment Securities as custodian/broker, you will decide whether to do so and will open your account with Betterment Securities by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. If you do not wish to place your assets with Betterment Securities, then we cannot manage your account on Betterment for Advisors (defined below).

## Your Brokerage and Custody Costs

For our clients' accounts that Betterment Securities maintains, Betterment Securities generally does

not charge you separately for custody services, but is compensated as part of the Betterment for Advisors (defined below) platform fee, which is a percentage of the dollar amount of assets in the account in lieu of commissions. As of the date of this document, Betterment charges an annual management fee of 0.20%. The Advisory Fee and annual management fee charged by Betterment on a quarterly basis shall be based on the average daily balance of Client's account during the preceding quarter.

We have determined that having Betterment Securities execute trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "Factors Used to Select Custodians and/or Broker-Dealers").

Schwab does not charge an annual management fee, but applicable fees charged by Schwab such as fund expense ratios and trade commissions may apply. Schwab's quarterly fee shall be based upon fair market value of the Account on the last calendar day of the preceding quarter.

## Services Available to Us via Betterment for Advisors

Betterment Securities serves as broker-dealer to Betterment for Advisors, an investment and advice platform serving independent investment advisory firms like us ("Betterment for Advisors").

Betterment for Advisors also makes available various support services which may not be available to Betterment's retail customers. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Betterment for Advisors' support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Following is a more detailed description of Betterment for Advisors' support services:

1. **SERVICES THAT BENEFIT YOU.** Betterment for Advisors includes access to a range of investment products, execution of securities transactions, and custody of client assets through Betterment Securities. Betterment Securities' services described in this paragraph generally benefit you and your account.
2. **SERVICES THAT MAY NOT DIRECTLY BENEFIT YOU.** Betterment for Advisors also makes available to us other products and services that benefit us, but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts, such as software and technology that may:
  - a. Assist with back-office functions, recordkeeping, and client reporting of our clients' accounts.
  - b. Provide access to client account data (such as duplicate trade confirmations and account statements).
  - c. Provide pricing and other market data.
  - d. Assist with back-office functions, recordkeeping, and client reporting.

3. SERVICES THAT GENERALLY BENEFIT ONLY US. By using Betterment for Advisors, we will be offered other services intended to help us manage and further develop our business enterprise. These services include:
- a. Educational conferences and events.
  - b. Consulting on technology, compliance, legal, and business needs.
  - c. Publications and conferences on practice management and business succession.

## Our Interest in Betterment Securities' Services

The availability of these services from Betterment for Advisors benefits us because we do not have to produce or purchase them. In addition, we don't have to pay for Betterment Securities' services. These services may be contingent upon us committing a certain amount of business to Betterment Securities in assets in custody.

We may have an incentive to recommend that you maintain your account with Betterment Securities, based on our interest in receiving Betterment for Advisors and Betterment Securities' services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Betterment Securities as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Betterment Securities' services and not Betterment for Advisors and Betterment Securities' services that benefit only us.

## Aggregating (Block) Trading for Multiple Client Accounts

Investment advisers may elect to purchase or sell the same securities for several clients at approximately the same time when they believe such action may prove advantageous to clients. This process is referred to as aggregating orders, batch trading or block trading. We do not engage in block trading. It should be noted that implementing trades on a block or aggregate basis may be less expensive for client accounts; however, it is our trading policy to implement all client orders on an individual basis. Therefore, we do not aggregate or "block" client transactions. Considering the types of investments we hold in advisory client accounts, we do not believe clients are hindered in any way because we trade accounts individually. This is because we develop individualized investment strategies for clients and holdings will vary. Our strategies are primarily developed for the long-term and minor differences in price execution are not material to our overall investment strategy.

Outside Managers used by HFS may block client trades at their discretion. Their specific practices are further discussed in their ADV Part 2A, Item 12.

## Item 13: Review of Accounts

Client accounts with the Investment Management Service will be reviewed regularly on an annual basis by Tim Hale, Owner and CCO. The account is reviewed with regards to the client's investment policies and risk tolerance levels.

Events that may trigger a special review would be unusual performance, addition or deletions of client imposed restrictions, excessive drawdown, volatility in performance, or buy and sell decisions from the firm or per client's needs.

Clients will receive trade confirmations from the broker(s) for each transaction in their accounts as well as monthly or quarterly statements and annual tax reporting statements from their custodian showing all activity in the accounts, such as receipt of dividends and interest. HFS does not provide written performance or holdings reports to Investment Management Clients outside of what is provided directly by their custodian as part of their account statements.

## Item 14: Client Referrals and Other Compensation

Except for the non-monetary benefits outlined in Item 12 of this Brochure, we do not receive any economic benefit, directly or indirectly, from any third party for advice rendered to our Clients. Nor do we, directly or indirectly, compensate any person who is not advisory personnel for Client referrals.

## Item 15: Custody

HFS does not accept custody of client funds. Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains the client's investment assets. We urge you to carefully review such statements and compare such official custodial records to the account statements or reports that we may provide to you. Our statements or reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

For client account in which HFS directly debits their advisory fee:

- i. HFS will send a copy of its invoice to the custodian at the same time that it sends the client a copy.
- ii. The custodian will send at least quarterly statements to the client showing all disbursements for the account, including the amount of the advisory fee.

- iii. The client will prove written authorization to HFS, permitting them to be paid directly for their accounts held by the custodian.

## Item 16: Investment Discretion

For those client accounts where we provide Investment Management Services, we maintain discretion over client accounts with respect to securities to be bought and sold and the amount of securities to be bought and sold. Investment discretion is explained to clients in detail when an advisory relationship has commenced. At the start of the advisory relationship, the client will execute a Limited Power of Attorney, which will grant our firm discretion over the account. Additionally, the discretionary relationship will be outlined in the advisory contract and signed by the client. Clients may limit our discretion by requesting certain restrictions on investments. However, approval of such requests are at the firm's sole discretion.

## Item 17: Voting Client Securities

We do not vote Client proxies. Therefore, Clients maintain exclusive responsibility for: (1) voting proxies, and (2) acting on corporate actions pertaining to the Client's investment assets. The Client shall instruct the Client's qualified custodian to forward to the Client copies of all proxies and shareholder communications relating to the Client's investment assets. If the client would like our opinion on a particular proxy vote, they may contact us at the number listed on the cover of this brochure.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward you any electronic solicitation to vote proxies.

## Item 18: Financial Information

Registered Investment Advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients, and we have not been the subject of a bankruptcy proceeding.

We do not have custody of client funds or securities or require or solicit prepayment of more than \$500 in fees per client six months in advance.

# Item 19: Requirements for State-Registered Advisers

## Principal Officers

Tim Hale serves as HFS's sole principal. Information about Tim Hale's education, business background, and outside business activities can be found on his ADV Part 2B, Brochure Supplement attached to this Brochure.

## Outside Business

All outside business information, if applicable, of HFS is disclosed in Item 10 of this Brochure

## Performance Based Fees

Neither HFS or Tim Hale is compensated by performance-based fees.

## Material Disciplinary Disclosures

No management person at HFS has ever been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

## Material Relationships That Management Persons Have With Issuers of Securities

Neither HFS nor Tim Hale have any relationship or arrangement with issuers of securities.



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## **Form ADV Part 2B – Brochure Supplement**

Dated: February 9, 2024

*For*

### **TIMOTHY HALE**

Owner and Chief Compliance Officer

This brochure supplement provides information about Tim Hale that supplements the Hale Financial Solutions Form ADV Part 2A brochure. A copy of that brochure precedes this supplement. Please contact Tim Hale if the Form ADV Part 2A brochure is not included with this supplement or if you have any questions about the contents of this supplement.

Additional information about Tim Hale is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) which can be found using the identification number 5128294.

# Item 2: Educational Background and Business Experience

**Timothy (“Tim”) Hale**

Born: 1980

## **Educational Background**

- 2011 - MBA, University of Utah
- 2005 – BS, Brigham Young University-Idaho

## **Business Experience**

- 06/2016 – Present, Hale Financial Solutions, Owner and CCO
- 05/2009 - 06/2016, Zions Bancorporation, Officer, Assistant VP
- 10/2006 - 06/2008, Weir Specialty Pumps, Analyst
- 02/2006 - 10/2006, Fidelity Investments, Service Representative

# Item 3: Disciplinary Information

Tim Hale has never been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

# Item 4: Other Business Activities

Tim Hale is currently Executive Director of the Star Valley Arts Council. This activity accounts for approximately 20% of his time.

# Item 5: Additional Compensation

Tim Hale does not receive any economic benefit from any person, company, or organization, in exchange for providing clients advisory services through Hale Financial Solutions.

# Item 6: Supervision

Tim Hale, as Owner and Chief Compliance Officer of Hale Financial Solutions, is responsible for



supervision. He may be contacted at the phone number or email address on this brochure supplement.

## Item 7: Requirements for State Registered Advisers

Tim Hale has not been involved in an arbitration, civil proceeding, self-regulatory proceeding, administrative proceeding, or a bankruptcy petition.