

Lighthouse Financial Management, LLC

Sensible Planning for Life®

85 Beach Street
Building D
Westerly, RI 02891
401-596-3392

www.lighthousefm.com

Form ADV Part 2
March 1, 2011

This brochure provides information about the qualifications and business practices of Lighthouse Financial Management, LLC. If you have any questions about the contents of this brochure, please contact us at 401-596-3392. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Lighthouse Financial Management, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser. Additional information about Lighthouse Financial Management, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure, dated as of March 25, 2011, is a new document prepared according to the SEC’s new requirements and rules. As such, this Brochure is materially different in structure and requires certain new information that our previous brochure did not require. Although, generally, certain content, disclosures, and advisory fees have substantially remained the same, clients and prospective clients are encouraged to review this document in its entirety.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Maureen J. Poplaski, the Adviser’s Chief Compliance Officer, at 401-596-3992. Additional information about Lighthouse Management, LLC is also available via the SEC’s web site at www.adviserinfo.sec.gov.

Item 3 – Table of Contents

Item 1 – Cover Page

Item 2 – Material Changes

Item 3 – Table of Contents

Item 4 - Advisory Business

- Introduction
- Financial Planning Services
- Planning Process
- Business Model

Item 5 - Fees and Compensation

- Lighthouse Fee Schedule and Procedures
- Custodian and Mutual Fund Disclosures

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

Item 7 - Types of Clients

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

- Investment Strategies
- Method of Analysis
- Risk of Loss

Item 9 - Disciplinary Information

Item 10 - Other Financial Industry Activities and Affiliations

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

- Code of Ethics
- Participation or Interest in Client Transactions
- Privacy

Item 12 - Brokerage Practices

- Selecting a Broker-Dealer
- Directed Brokerage
- Research and Other Soft Dollar Benefits

Item 13 - Review of Accounts

Item 14 - Client Referrals and Other Compensation

Item 15 - Custody

Item 16 - Investment Discretion

Item 17 - Voting Client Securities

Item 18 - Financial Information

Part 2B: Brochure Supplement (Advisory Personnel)

- Principal
- Other Business Activities
- Performance Based Fees
- Disciplinary
- Professional Certification

Item 4 – Advisory Business

Introduction

Lighthouse Financial Management, LLC (“Lighthouse”) is a total-care, independent advisory firm that guides individuals and families in building, preserving and transferring wealth. Lighthouse is a “fee-only” financial planning firm located in Westerly, Rhode Island, offering total wealth management services since 1999. The firm’s principal and owner, Stephen C Poplaski is a Certified Financial Planner™, (CFP®), and a Certified Public Accountant, (CPA), licensed in Connecticut, Rhode Island and Florida.

Financial Planning Services

Lighthouse provides comprehensive financial planning services for individuals, families, trusts, and small businesses. Our core services for include:

- 1) **Investment Management:** Create an investment portfolio that matches our client’s willingness, need, and ability to accept market risk while pursuing individual objectives. Asset allocation is used in both the initial establishment and maintenance of the portfolio. Client’s portfolios are rebalanced periodically to maintain an agreed upon investment policy. Clients receive comprehensive quarterly reports comparing their investment activity to benchmarks.
- 2) **Income Tax Planning/Preparation:** Develop strategies for minimizing federal and state income and estate taxes. Use tax projections over multiple time periods for proposed transactions to implement tax savings opportunities. Construct portfolios using tax efficient asset class locations under current law. Individual income tax preparation is provided for clients by Lighthouse’s affiliate firm, Stephen C. Poplaski, CPA, CFP®.)
- 3) **Retirement:** Determine savings needed to provide financial independence and adequate resources for retirement years. Create tax-wise strategies for retirement income distribution. Monitor and manage portfolio risk throughout lifetime distribution period.
- 4) **Insurance/ Risk Management:** Establish an adequate cash reserve to provide liquidity in the event of an emergency. Evaluate existing insurance policies for adequacy of income and wealth replacement, current and long-term medical care, and liability claims.

Depending on client needs, Lighthouse also provides assistance with:

- 1) **Cash Management and Budgeting:** Assistance with establishing a reasonable budget, methods of funding and timing of major purchases, determining whether to pay off or refinance a mortgage, and identification of trouble spots including recommendations for future spending plans.
- 2) **Estate Planning:** Work directly with your attorney to structure a cost effective asset distribution strategy. Special emphasis on minimizing probate, administrative costs, and taxes.
- 3) **Employee Benefits and Stock Options:** Assist clients in choosing employer sponsored benefit plans consistent with their overall financial plan. Manage the taxes associated with various

stock options offered by employers, i.e. restricted stock units, incentive stock options, non-qualified stock options, employee stock purchase plans and employee stock ownership plans.

- 4) Funding Education Costs: Use of tax-wise funding strategies to provide or assist children or grandchildren, and assistance with using other sources of funding college expenses.

Planning Process

The financial planning process begins with a comprehensive interview. During this time, the advisor and client will identify overall goals and objectives, along with addressing any immediate concerns the client may have. A Goals Clarification worksheet is used to formalize their needs and wants. Next we collect information and documents, including past income tax returns, net worth details, spending history by amount and category, insurance policies and existing wills and trusts. We also ask our clients to complete a Risk Profile questionnaire that provides insight into their financial attitudes, values, motivations, preferences and experiences.

After the data gathering process is completed, the advisor develops a plan that addresses the goals and objectives of the client. Since the projections made in the financial plan are based on the information the client provides, it is the clients' responsibility to provide accurate information. Our analysis will also be highly dependent on the assumptions we make, such as inflation and investment rates of return. It is likely that there will be differences between the projected and actual results because events and circumstances do not occur as expected. The client and the advisor will come to an agreement on how the recommendations will be carried out.

An important component of the client–advisor relationship is the Investment Policy Statement. This statement provides the framework from which sound investment decisions can be made. The management of the investment portfolio is done through an interactive process with the client, however once an investment policy is agreed upon, Lighthouse determines which securities and the amounts of securities that are bought and sold. The client may limit this discretion, by requesting that certain asset classes or specific securities be included and/or excluded from the portfolio.

As the client progresses toward their goals, they are encouraged to contact the advisor if there are any significant changes in their life. The advisor and client will then update and adjust plan recommendations as appropriate.

Business Model

Our firm provides services for approximately 75 families, trusts and employer sponsored retirement plans. We have approximately \$60,000,000 under management as of April 25, 2011. Lighthouse does not manage assets on a non-discretionary basis. As a “fee-only” advisory firm, we do not receive any payments or commissions directly from our clients or from third parties for investment or product recommendations. Accordingly, we do not participate in any wrap fee programs that combine fees for services with commissions. We adhere to this policy in order to avoid any conflicts of interest with our clients. In other words, we wish to advise clients in all matters related to their financial plan in a conflict free environment.

Item 5 – Fees and Compensation

Lighthouse Fee Schedule and Procedures

Lighthouse charges an annual fee based on a percentage of client assets under management. The fees are based on the account value at the end of each quarter.

<u>Account Value</u>	<u>Annual Fee</u>
On the first \$250,000	1%
On the next \$250,000	.75%
On the next \$500,000	.5%
Balances over \$1,000,000	Custom

For accounts under \$250,000 fees may be a fixed amount or billed at an hourly rate of \$180 per hour. Clients may choose to have their fees deducted from their investment accounts or they may pay their fees directly to Lighthouse. All fees are paid in the arrears on a quarterly basis. If a client ends the engagement, earned and unpaid fees are due to the date of termination. All clients receive an invoice detailing their fee calculation.

Custodian and Mutual Fund Disclosures

No additional fees are paid to the custodian to hold assets, however, clients may pay transaction costs when securities are bought or sold. Although, we primarily recommend no-load mutual funds, all mutual funds have built-in expenses that are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. These fees are in addition to the management fee charged by the Adviser. No one employed or associated with Lighthouse receives any form of compensation for the sale of securities or other investment products. The funds that we recommend may be purchased through other brokers and agents who are not affiliated with us.

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

Lighthouse does not charge performance fees which are based on a share of capital gains on or capital appreciation of client assets.

Item 7 - Types of Clients

Lighthouse provides services for individuals, families, trusts, small business, and employer sponsored retirement plans. Lighthouse generally requires advisory clients to maintain a minimum account size of \$250,000, although this minimum may be waived in certain circumstances. For all investment advisory accounts over \$250,000, Lighthouse's affiliated accounting firm, Stephen C. Poplaski, CPA, CFP® will provide individual income tax preparation at no additional charge.

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

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

Investment Strategies

Portfolios are managed using largely passive vehicles, including institutional asset class mutual funds, etc. It is our belief that these provide the best investment options based on diversification, low cost, tax efficiency and the investment community's inability to consistently outperform with active management strategies.

The basic tenets under which this Policy will be managed include the following:

1. Modern Portfolio Theory, as recognized in the awarding of the 1990 Nobel Prize in Economics, will be the philosophical foundation for how the portfolio will be structured and how subsequent decisions will be made. The underlying concepts of Modern Portfolio Theory include:
 - Investors are risk averse. The only acceptable risk is that which is adequately compensated by potential portfolio returns
 - Markets are efficient. It is virtually impossible to anticipate the future direction of the market as a whole or of any individual security. It is, therefore, unlikely that any portfolio will succeed in consistently "beating the market"
 - The design of the portfolio as a whole is more important than the selection of any particular security within the portfolio. The appropriate allocation of capital among asset classes (stocks, bonds, cash, etc.) will have far more influence on long-term portfolio results than the selection of individual securities. Investing for the long term (preferably longer than ten years) becomes critical to investment success because it allows the long-term characteristics of the asset classes to surface.
 - For a given risk level, an optimal combination of asset classes will maximize returns. Diversification helps reduce investment volatility. The proportional mix of asset classes determines the long-term risk and return characteristics of the portfolio as a whole
 - Portfolio risk can be decreased by increasing diversification of the portfolio and by lowering the correlation of market behavior among the asset classes selected. (Correlation is the statistical term for the extent to which two asset classes move in tandem or opposition to one another)
2. Investing globally helps to minimize overall portfolio risk due to the imperfect correlation between economies of the world. Investing globally has also been shown historically to enhance portfolio returns, although there is no guarantee that it will do so in the future.
3. Equities offer the potential for higher long-term investment returns than cash or fixed income investments. Equities are also more volatile in their performance. Investors seeking higher rates of return must increase the proportion of equities in their portfolio, while at the same time accepting greater variation of results (including occasional declines in value).
4. Picking individual securities and timing the purchase or sale of investments in the attempt to "beat the market" are highly unlikely to increase long-term investment returns; they also can significantly increase portfolio operating costs. Such practices are, therefore, to be avoided.

The underlying approach to managing client portfolios is to optimize the risk-return relationship appropriate to investor's needs and goals. The policy will be to diversify globally employing a variety of asset classes. Mutual funds or managed portfolios will be employed to implement the portfolio and the chosen asset classes will be periodically re-balanced to maintain a more consistent risk/reward profile.

Methods of Analysis

We choose investments for our clients' portfolio based upon the following criteria:

- Past performance, considered relative to other investments having the same investment objective. Consideration shall be given to both performance rankings over various time frames and consistency of performance.
- Costs relative to other funds with like objectives and investment styles.
- The manager's adherence to investment style and size objectives.
- Size of the proposed fund.
- Length of time the fund/manager has been in existence and length of time it has been under the direction of the current manager(s) and whether or not there have been material changes in the manager's organization and personnel.
- The historical volatility and downside risk of each proposed investment.
- How well each proposed investment complements other assets in the portfolio.
- The current economic environment.
- The likelihood of future investment success, relative to other opportunities.
- Potential for income tax costs relative to other funds with like objectives and investment styles.

Risk of Loss

Lighthouse works with each client to identify their unique willingness, need, and ability to accept the risks from investing in the market. There is no guarantee of reaching a specific investment result or achieving a particular planning goal.

Other risks may include, but are not limited to:

Lack of Liquidity: Lighthouse monitors the liquidity of client assets in making decisions regarding the client investments. However, certain investments may have to be held for a substantial period of time before they can be liquidated to the portfolio's greatest advantage or, in some cases, at all. Portfolios may also hold securities for which a market exists but which generally have a relatively low trading volume. Portfolios may not be able to dispose of such securities at the most favorable price or time if there is limited demand when the Adviser wishes to sell them.

Interest Rate Risk: Prices of bonds, and by extension, mutual funds that hold bonds, tend to move inversely with changes in interest rates. Typically, a rise in rates will adversely affect bond prices.

Credit Risk: Investments are traded between counterparties, including broker-dealers, based on contractual relationships. As a result, client portfolios would be subject to the risk that a counterparty would or could not perform its obligations under the related contract. Lighthouse intends to enter use counterparties it believes to be creditworthy but there can be no assurance that a counterparty will not default and that a portfolio will not sustain a loss on a transaction as a result.

Inflation Risk: This risk, also known as purchasing power risk, is that the ability to purchase different quantities of goods and services is dependent upon the changing levels of prices in the economy. For example, if a client wishes to use funds from investments to make a specified purchase at a future date, the price of the item may increase. The inflation in the item's price erodes the purchasing power of the invested sum. Lighthouse's investment strategy includes fixed income securities or funds that invest in bonds which are subject of inflation risk.

Management and Strategy Risk: The ability of a portfolio to meet its investment objective is directly related to Lighthouse's investment strategies for portfolios. The investment process used by Lighthouse could fail to achieve client investment objectives and cause investments to lose value.

Market Sector, Market and Economic Risks: Lighthouse's investment strategy may result in significantly over or under exposure to certain industries or market sectors, which may cause a portfolio's performance to be more or less sensitive to developments affecting those industries or sectors. Investments in client portfolios would also be subject to loss based on general economic and market conditions, including inflation and recessions, among other things.

Foreign Investment Risk: In addition, to the extent that Lighthouse invests in foreign securities or mutual funds holding foreign securities, there may be risks specific to foreign investing, such as costs as a result of currency exchange transactions, and political, social and economic factors affecting investments in such markets. Special risks associated with investments in foreign markets include exposure to currency fluctuations, less liquidity, less developed or less efficient trading markets, lack of comprehensive company information, political instability and differing auditing and legal standards. Emerging markets tend to be more volatile than the markets of more mature economies, and generally have less diverse and less mature economic structures and less stable political systems than those of developed countries.

Item 9 – Disciplinary Information

SEC-registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of an investment adviser or the integrity of the adviser's management team. Although the following disclosure may or may not be material to a client or potential client evaluation of our firm, Lighthouse has chosen to disclose the following.

On October 23, 2007 the Rhode Island Division of Banking and Securities determined that Lighthouse did not meet the Rhode Island Investment Adviser Representative Licensure requirement by not timely registering one representative and terminating the license of another representative.

During this time, Lighthouse was a client of National Regulatory Services (NRS), who provided assistance and consulting services on various compliance and regulatory matters, including registration of Lighthouse's advisor representatives. Once the licensing deficiencies were brought to NRS, they assisted Lighthouse with the updating filing and payment of licensing fees. Although the failure to file the form was due to the oversight of a NRS employee, Lighthouse paid the penalty to the Rhode Island Division of Banking and Securities to resolve the matter.

Lighthouse has no further legal, financial or other 'disciplinary' item to report. The statement applies to our firm as well as every employee.

Item 10 – Other Financial Industry Activities and Affiliations

Stephen Poplaski is the Managing Member of Lighthouse Financial Management, LLC and the sole proprietor of Stephen C. Poplaski, CPA CFP®, a firm that provides accounting, consulting and tax preparation services for individuals and business entities. The accounting firm prepares the tax returns for Lighthouse clients as part of the management fee (See Section 2); however, it also has clients who are separate and distinct from Lighthouse. This affiliation through ownership creates a financial incentive for Lighthouse to refer clients to the accounting firm and vice versa from the accounting firm to Lighthouse. The financial incentive to make successful referrals could create a conflict of interest between the potential clients and Lighthouse. There are no referral fees paid or received for the introduction of Lighthouse clients to Stephen C Poplaski, CPA,CFP®, and vice versa.

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

Code of Ethics

Lighthouse has adopted a Code of Ethics in accordance with Rule 204A-1 under the Investment Advisers Act of 1940. Lighthouse's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients, and sets forth Lighthouse's practice of supervising the personal securities transactions of supervised persons with access to client information. Individuals associated with Lighthouse may buy or sell securities for their personal accounts identical to or different than those recommended to clients. It is the expressed policy of Lighthouse that no person employed by Lighthouse shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decisions of advisory clients. Lighthouse will provide a complete copy of its Code of Ethics to any client upon request to the Chief Compliance Officer, Maureen J Poplaski, at Lighthouse's principal address or at 401-596-3992.

Participation or Interest in Client Transactions

To supervise compliance with its Code of Ethics, Lighthouse requires that anyone associated with this advisory practice with access to advisory recommendations provide initial and annual securities holdings reports and quarterly transaction reports to the firm's Chief Compliance Officer. Lighthouse requires such persons to also receive approval from the Chief Compliance Officer prior to investing in any initial public offerings (IPOs) or private placements (limited offerings).

Privacy

Lighthouse requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Lighthouse's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. This includes, but is not limited to any information that would identify a person as a client of Lighthouse. Any individual not in observance of protecting the privacy of client information is subject to disciplinary measures. A copy of Lighthouse's Privacy statement is sent to every prospective client and to every client on an annual basis. The Privacy Policy is also posted on the firm's website at www.lighthousefm.com.

Item 12 - Brokerage Practices

Selecting a Broker-Dealer

In selecting a broker-dealer, Lighthouse looks at several factors, some of which are client service, transaction fees, custodial fees, quality of execution, record keeping and reporting capabilities. Lighthouse will attempt to minimize the total cost for all brokerage services paid by the client. It may be that the total costs at the selected broker-dealer may be higher than can be obtained at another broker-dealer. In that case, if Lighthouse determines that such costs are reasonable due to the quality of service, we will continue to recommend the broker-dealer. Lighthouse periodically reviews and evaluates the cost versus benefits of various broker-dealers and may recommend a change if deemed beneficial to our clients. Lighthouse will not select a broker-dealer that refers clients in exchange for a recommendation.

Directed Brokerage

Lighthouse participates in the Fidelity Institutional Wealth Services (FIWS) program. Lighthouse requests that clients direct us to execute transactions through Fidelity as Lighthouse does not have discretionary authority to determine the broker-dealer to be used. If a client is unable or unwilling to transfer an account to Fidelity, Lighthouse will coordinate services with the clients' custodian. The client should understand that if they direct the brokerage to a custodian other than Fidelity, the advisor would be unable to achieve the most favorable execution of client transactions. This practice may cost the client more money in transaction costs and fees. The client should consider the brokerage services when selecting an advisor, as not all advisors require or request that their clients direct brokerage.

Research and Other Soft Dollar Benefits

Lighthouse receives benefits from Fidelity Wealth Services that are free to all Fidelity clients. These benefits include a service team and manager to assist the advisor with opening accounts, transfer of assets, and trading. Fidelity also provides electronic download of trades, account balances and positions and the ability to deduct advisory fees from client accounts.

Through the Wealth Central website, Lighthouse can access market research and data, a quarterly newsletter, practice management guides, the Fidelity Income Evaluator (a retirement planning tool). The advisor has access to over 350 mutual fund families and 4500 mutual funds not affiliated with Fidelity.

Item 13 – Review of Accounts

All accounts are reviewed periodically by Mr. Poplaski, for overall adherence with the investment philosophy agreed upon with the client. Lighthouse provides quarterly investment reports that contain at a minimum current investment holdings, transaction summaries, and market values. Clients may choose to have their reports delivered by mail or electronically posted on a secure website.

Item 14 - Client Referrals and Other Compensation

Lighthouse does not currently engage in solicitation activities as defined by Rule 206(4) -3 of the Investment Advisers Act of 1940 or similar state statutes. Under this rule, the solicitor would be obligated to provide the potential client with a disclosure document that reveals, among other things, the name of the solicitor, the relationship between the advisor and the solicitor and the terms of the compensation.

Lighthouse would be obligated to obtain a written acknowledgement from the client that they received the solicitor's written disclosure. It would be necessary for Lighthouse to comply with this rule if the firm paid a direct or indirect fee for client referrals.

Stephen C. Poplaski is a member of the National Association of Financial Planners, NAPFA. Lighthouse is listed on NAPFA's website in their advisor search engine. Potential clients may search the NAPFA website and obtain information regarding our firm. NAPFA does not charge a fee for the use of their search engine. Lighthouse does not pay an additional fee beyond the fee required for membership, to be listed on this site.

Item 15 – Custody

Our firm currently uses the custodial services provided by Fidelity Wealth Central, an unaffiliated, qualified custodian. Fidelity sends monthly statement and transaction confirmations directly to the client. We encourage clients to compare their Fidelity statements with the quarterly investment reports Lighthouse provides.

The Securities and Exchange Commission deems that an advisor has custody, among other things, if they have the authority to withdraw funds or securities from a client's account. Lighthouse can, with the client's signed permission, deduct their fees directly from the client's account at Fidelity. Lighthouse employs measures to ensure that the fee calculation and deduction are accurate, such as, comparing the client's current and previous billing statement, reviewing the overall reasonableness of aggregate fees collected based on aggregate assets under management, and sending clients quarterly billing statements that show fee calculations.

Lighthouse assists their clients with the management of their accounts outside of Fidelity. With written permission from the client and notice given to each third party custodian, Lighthouse will obtain access to the - third party account. Lighthouse uses this access to obtain information regarding the selection of appropriate securities for the client's investment portfolio and to monitor the performance of these securities. Lighthouse may also enact a fund to fund transfer within the account when rebalancing the client's overall portfolio. Lighthouse does not have the authority to change the client's address or contact information, nor can we direct any funds to be transferred outside of the account.

Item 16 - Investment Discretion

Lighthouse requests that clients provide us with written authority to buy and sell securities on their behalf. This investment discretion includes determining which securities should be bought or sold, the amount of each security, and when the sale or purchase of securities should take place.

The client may place limitations on this investment authority. Any limitation of this authority is contained in the client's Investment Policy statement. Clients may change or amend these limitations at any time by submitting their request in writing.

Item 17 - Voting Client Securities

Lighthouse does not accept the authority to vote proxies on behalf of their clients. The client or the fund manager has the responsibility to vote client securities. Lighthouse may assist the client with the voting process by providing information when requested.

Item 18 - Financial Information

SEC-registered investment advisers are required in this Item to provide clients with financial information or disclosures about the adviser's financial condition. Lighthouse has no financial commitment or condition that impairs its ability to meet contractual and fiduciary commitments to its clients and has not been the subject of a bankruptcy proceeding.

Part 2B of Form ADV: *Brochure Supplement*

This brochure supplement is provided on our Principal, Stephen C. Poplaski, CPA, CFP®

Stephen's contact information is:

Lighthouse Financial Management, LLC
85 Beach Street, Building D
Westerly, RI 02891
www.lighthousefm.com
401-596-4332

April 25, 2011

This brochure supplement provides information about Stephen C. Poplaski, CPA, CFP® that supplements our Form ADV, Part 2A (brochure, attached). You should have received a copy of that brochure as we include this supplement with all copies. Please contact Maureen J Poplaski, Chief Compliance Officer, at 401-586-4332 if you did not receive OUR BROCHURE or if you have any questions related to the brochure or this supplement. Additional information about Stephen Poplaski is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Educational Background and Business Experience

Principal

Stephen C. Poplaski, CPA, CFP® is a Certified Financial Planner™, (CFP®), professional and a Certified Public Accountant, (CPA), licensed in Connecticut, Rhode Island and Florida. In 1997, he became a Personal Financial Specialist, (PFS), the first CPA specialty accredited by the American Institute of Certified Public Accountants.

Mr. Poplaski has been with Lighthouse Financial Management, LLC since January 1999 as Principal and Member or Managing Member. In his private practice, he has over twenty years experience providing management consulting, financial planning, investment management, accounting and tax services for individuals, business entities and their owners.

Mr. Poplaski holds a Bachelor of Science in Accounting degree (Johnson & Wales College, 1975), a Master of Business Administration in Finance degree (University of New Haven, 1977), and a Master of Science in Financial Planning degree (Bentley College, 2005).

Professional Certifications

Certified Financial Planner® (CFP®)

The CFP® certification is a voluntary certification recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Members must complete an advanced college-level course of study in investments, retirement planning, insurance and risk management, taxation, and estate planning. Additionally, they need a Bachelor's Degree from a regionally accredited United States college or university.
- Examination – Candidates must pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience – Candidates complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Individuals agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Certified Public Accounts (CPA)

CPAs are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education, experience and testing requirements for licensure as a CPA generally include:

- Minimum college education (typically 150 credit hours with at least a baccalaureate degree and a concentration in accounting),
- Minimum experience levels (most states require at least one year of experience providing services that involve the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification by a CPA), and
- Successful passage of the Uniform CPA Examination.

In order to maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a two year period or 120 hours over a three year period). Additionally, all American Institute of Certified Public Accountants (AICPA) members are required to follow a rigorous Code of Professional Conduct which requires that they:

- Act with integrity, objectivity, due care, competence,
- Fully disclose any conflicts of interest (and obtain client consent if a conflict exists),
- Maintain client confidentiality,
- Disclose to the client any commission or referral fees, and
- Serve the public interest when providing financial services.

The vast majorities of the state boards of accountancies have adopted the AICPA's Code of Professional Conduct within their state accountancy laws or have created their own.

Personal Financial Specialist (PFS)

The PFS credential demonstrates that an individual has met the minimum education, experience and testing required of a CPA in addition to a minimum level of expertise in personal financial planning. To attain the PFS credential, a candidate must:

- Hold an unrevoked CPA license,
- Fulfill 3,000 hours of personal financial planning business experience,
- Complete 80 hours of personal financial planning CPE credits,
- Pass a comprehensive financial planning exam and be an active member of the AICPA.

A PFS credential holder is required to adhere to AICPA's *Code of Professional Conduct*, and is encouraged to follow AICPA's *Statement on Responsibilities in Financial Planning Practice*. To maintain their PFS credential, the recipient must complete 60 hours of financial planning CPE credits every three years. The PFS credential is administered through the AICPA.

Item 3 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Please see Item 9 in Lighthouse’s brochure regarding disciplinary information. Neither Stephen Poplaski, nor any person supervised by Stephen Poplaski, has any further disciplinary items to disclose.

Item 4 – Other Business Activities

Stephen Poplaski is the Managing Member of Lighthouse Financial Management, LLC and the sole proprietor of Stephen C. Poplaski, CPA CFP®. Mr. Poplaski expects to spend approximately one third of his time working with accounting and tax clients.

Mr. Poplaski is part of the Adjunct Faculty at Bryant University and Johnson & Wales University. At Bryant, he teaches courses in the Finance Department and Executive Development Center for the CFP® Education Program. At Johnson & Wales he teaches courses in the Management Department. His courses include retirement planning and employee benefits, estate and income tax planning, fundamentals of financial management and investments. Mr. Poplaski typically teaches courses in the evening and prepares for classes beyond his usual business hours.

Item 5 – Additional Compensation

No supervised persons of the Adviser receive additional compensation or other economic benefit for providing advisory services to any person or entity that is not a client.

Item 6 – Supervision

While Mr. Poplaski has ultimate decision-making authority and is the sole owner of Lighthouse, Maureen J Poplaski, (Chief Compliance Officer) reviews client accounts on an ongoing basis to monitor the disciplined and consistent implementation of investment decisions by Stephen C Poplaski. Ms. Poplaski is responsible for Lighthouse’s compliance program. Ms. Poplaski, from a regulatory compliance perspective, oversees Lighthouse and its personnel, including Mr. Poplaski.

In order to manage conflicts of interest resulting from ownership by owners or employees of Lighthouse of the same securities as clients, Lighthouse has established a Code of Ethics whereby Lighthouse is to receive duplicate copies of trade confirmations and monthly custodial or brokerage statements for all members or employees associated with the company. Ms. Poplaski reviews the personal securities trading activity of Mr. Poplaski.

Ms. Poplaski may be contacted at 401-596-3392