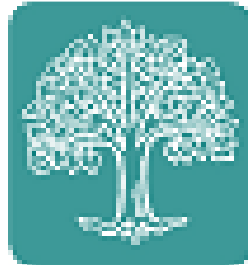


**Firm Brochure**  
(Part 2A & 2B of Form ADV)



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This brochure provides information about the qualifications and business practices of THE LUBITZ FINANCIAL GROUP. If you have any questions about the contents of this brochure, please contact us at: (305) 670-4440, or by email at: [mail@LubitzFinancial.com](mailto:mail@LubitzFinancial.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about THE LUBITZ FINANCIAL GROUP is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

March 31, 2012

The Lubitz Financial Group

## **Material Changes**

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### **Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

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### **Material Changes since the Last Update**

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

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### **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (305) 670-4440 or by email at: [Mail@LubitzFinancial.com](mailto:Mail@LubitzFinancial.com).

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## **Advisory Business**

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### **Firm Description**

THE LUBITZ FINANCIAL GROUP was founded in 1997. The legal business name is Linda S. Lubitz, CFP, PA, dba (doing business as) THE LUBITZ FINANCIAL GROUP. We are a privately held independent investment advisor firm with our office in Miami, Florida.

THE LUBITZ FINANCIAL GROUP provides personalized, confidential financial planning and investment management to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

Generally, in keeping with the scope of the planning engagement, THE LUBITZ FINANCIAL GROUP provides a written plan for the client which reviews their current situation and recommends actions consistent with the clients' financial and personal goals. The plan may include a cash flow analysis, provisions for education for dependents, a review of estate planning, generic and/or specific recommendations on the investment of funds, a summary and actions guide. No legal or accounting advice is given. The financial planning written report is a service separate from recommendation and on-going supervision of investments. Clients may use the services of THE LUBITZ FINANCIAL GROUP for the written report and/or ongoing fee-only investment management. THE LUBITZ FINANCIAL GROUP may also provide hourly consulting on specific topics as requested.

Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Our clients acknowledge that:

- Any financial planning is based solely on the accuracy and completeness of the information provided by our client,
- Any projections or other information generated during the financial planning process
  - Are hypothetical in nature,
  - Do not reflect actual investment results, and
  - Do not guarantee any future results.

THE LUBITZ FINANCIAL GROUP is strictly a fee-only financial planning and investment management firm. The firm does not sell any investment products, such as annuities, insurance, stocks, bonds, mutual funds, limited

partnerships, or other commissioned products which pay The Lubitz Financial Group any compensation. No commissions in any form are accepted. No finder's fees or referral fees are accepted. We receive compensation only from our clients.

Investment advice is provided and based upon the mutually signed Investment Policy Statement. Individual securities selection is made by THE LUBITZ FINANCIAL GROUP based upon the clients' Investment Policy Statement. THE LUBITZ FINANCIAL GROUP does not act as a custodian of client assets. We use a third party custodian that serves as intermediary and provides custody of client assets. For more information, see Brokerage Practice. The client always maintains asset control. THE LUBITZ FINANCIAL GROUP places trades for clients under a limited power of attorney with the custodian that the client has approved.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. THE LUBITZ FINANCIAL GROUP retains the services of a CPA/CFP® on a retainer basis to provide THE LUBITZ FINANCIAL GROUP with reviews as needed. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, normally in person but which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

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**Principal Owner**

Linda S. Boone is the 100% stockholder.

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**Types of Advisory Services**

THE LUBITZ FINANCIAL GROUP provides investment supervisory services, also known as asset management services and furnishes investment advice through consultations with the client and is based on the mutually signed Investment Policy Statement.

On more than an occasional basis, THE LUBITZ FINANCIAL GROUP furnishes advice to clients on matters not involving securities, such as financial planning matters, taxation issues, and trust services that often include estate planning.

As of 12/31/2011, THE LUBITZ FINANCIAL GROUP manages approximately \$ 139,400,000 in assets for approximately 108 clients. Approximately \$139,400,000 is managed on a discretionary basis, and \$0 is managed on a non-discretionary basis.

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**Tailored Relationships**

The goals and objectives for each client are documented in our client relationship management system. Investment Policy Statements are created

which reflect the stated goals and objectives. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without client consent.

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## **Types of Agreements**

The following agreements define the typical client relationships.

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### **Financial Planning Agreement**

A financial plan is designed to help the client with all aspects of financial planning in a holistic, well-being environment. Unless otherwise agreed to in an Investment Advisory Agreement, there will be no ongoing investment management after the financial plan is completed.

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.

Generic investment advice is provided as part of a financial plan. If a client is going to retain us for on-going investment management, detailed investment advice and specific recommendations can be provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client.

The fee for a financial plan is predicated upon the facts known at the start of the engagement. The minimum fee is \$5,000.00 and is negotiable. The fee is quoted in the contract with the client and 50% of the fee is due at signing, and the balance at the end of the engagement.

Since financial planning is a discovery process, situations occur wherein the client and we are unaware of certain financial exposures or predicaments. In the event that the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

After delivery of a financial plan, future face-to-face meetings may be scheduled as necessary. Follow-on implementation work can be billed separately at the rate of \$350.00 per hour if the client is not an Investment Advisory client or if the scope of the work requires additional compensation.

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### **Investment Advisory Agreement**

Most clients choose to have THE LUBITZ FINANCIAL GROUP manage their investments in order to obtain ongoing in-depth advice. An Investment



Advisory Agreement will be executed when we are retained for ongoing investment management.

Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The scope of work and fee for an Investment Advisory Agreement is provided to the client in writing prior to the start of the relationship. An Investment Advisory Agreement includes periodic reporting, usually quarterly, of the clients investment values, investment policy target allocation vs. actual, asset class diversification, individual security selection, purchases and sales, best efforts at rebalancing to the target Investment Policy Statement allocation, tax-loss harvesting, tax reporting and periodic meetings to review these and other items with the client.

The annual Investment Advisory Agreement fee is based on a percentage of the investable assets according to the following schedule:

1.00% on the first \$1,000,000;  
0.70% on the next \$1,000,000.00 (from \$1,000,000.01 to \$2,000,000.00);  
0.50% on the next \$1,000,000.00 (from \$2,000,000.01 to \$3,000,000.00)  
Over \$3,000.00.00 is negotiable.

The minimum annual fee is \$10,000.00 and is negotiable. Current client relationships may exist where the fees are higher or lower than the fee schedule above. Occasionally, various related client accounts may be grouped together to qualify for reduced advisory fees. This is typically referred to as "family aggregate" billing.

Generally, fees are paid quarterly in advance based on the gross value of the account assets as of the last business day for the previous quarter. The initial advisory fee is prorated for the remainder of the quarter and is based on the approximate initial assets under management referenced in the contract on the fee schedule and as of the inception date. The client may be required to pay separate fees to custodians in accordance with their disclosed specific guidelines.

Although the Investment Advisory Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or THE LUBITZ FINANCIAL GROUP may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

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**Hourly Planning Engagements**

THE LUBITZ FINANCIAL GROUP provides hourly planning services for clients who need advice on a limited scope of work. The hourly rate for limited scope engagements is \$350.00. There is typically not a signed agreement for hourly planning engagements. An invoice is prepared once the engagement is completed.

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**Retainer Agreement**

In some circumstances, a Retainer Agreement may be executed in lieu of an Investment Advisory Agreement when it is more appropriate to work on a fixed-fee basis. The annual fee for a Retainer Agreement is negotiable.

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**Expert Witness Testimony**

Expert witness testimony may be provided at a rate of \$450 per hour, plus expenses.

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**Asset Management**

Assets are invested primarily in no-load mutual funds and exchange-traded funds, usually through discount brokers or fund companies. Mutual Fund companies and Exchange Traded Funds charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Discount brokerages may charge a transaction fee for the purchase of some funds.

Individual stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm may charge a transaction fee or a mark-up for stock and bond trades. THE LUBITZ FINANCIAL GROUP does not receive any compensation, in any form, from fund companies or brokerage companies.

Investments may also include: equities (stocks), corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (no-load variable annuities, and mutual funds shares), U. S. government securities, options contracts, futures contracts, and interests in partnerships.

Initial public offerings (IPOs) are typically not available through THE LUBITZ FINANCIAL GROUP.

THE LUBITZ FINANCIAL GROUP shares and complements investment research and resources with the Investment Management Committee at Mosaic Financial Partners, an independent investment advisory firm in California. THE LUBITZ FINANCIAL GROUP advisors will monitor, review and implement investment recommendations.

THE LUBITZ FINANCIAL GROUP may recommend and invest in non-liquid and non publicly traded companies. Due diligence will be performed by the Advisory team before such recommendations are made. These investment recommendations may not be suited for every client and will only be suggested to clients that qualify as accredited investors as required by the investment company and that meet a specific financial and risk profile. Under these circumstances, THE LUBITZ FINANCIAL GROUP will act as the advisor and will use a custodian like Fidelity Investments, Charles Schwab & Co., Inc., National Advisors Trust Company, or similar company to custody the investment and comply with the required financial reporting and disclosures.

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### **Termination of Agreement**

A client may terminate any of the aforementioned agreements at any time by notifying THE LUBITZ FINANCIAL GROUP in writing at the beginning of any billing period for which a payment is due. If the agreement is cancelled either by the client or by THE LUBITZ FINANCIAL GROUP, any unearned fees for the quarter will be returned to the clients.

THE LUBITZ FINANCIAL GROUP may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, THE LUBITZ FINANCIAL GROUP will refund any unearned portion of the advance payment. The prorated fee is based upon the ratio of the number of days that the assets were under management to the number of days in the quarter. For every resigned account, we confirm the action to the client via a letter and a statement which shows the calculation of the refunded management fee. These fees are either reimbursed directly into the client's account or by a company check made payable to the account holder.

## **Fees and Compensation**

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### **Description**

THE LUBITZ FINANCIAL GROUP bases its fees on a percentage of assets under management, hourly fee charges and fixed fees.

The Investment Advisory and Financial Planning fee range are influenced by numerous factors including; the composition of the account, the nature of the account, the existence of related accounts, the source of the account, the complexity of the account and when the account was established. Please refer to the relevant sections in this document for specific fee schedules.

Financial plans are priced according to the degree of complexity associated with the client's situation.

Fees are negotiable.

It is the responsibility of our client to verify the accuracy of the fee calculation.

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**Fee Billing**

The investment Advisory client shall pay THE LUBITZ FINANCIAL GROUP, for its services, a Quarterly Advisory Fee in accordance with the Fee Schedule in the Investment Advisory Agreement. Fees will be generally paid quarterly in advance and prorated for any partial quarter. Each Quarterly Advisory Fee will be based on the gross value of the Managed Assets as of the last business day of the previous quarter. The Initial Advisory Fee will be prorated for the number of days left in the quarter. It will be based on the Approximate Initial Assets Under Management referenced on the Fee Schedule and as of the inception date agreed between the client and THE LUBITZ FINANCIAL GROUP. Fees may be subject to a minimum in accordance with the Fee Schedule. The client may arrange to have the fees deducted from an appropriate account. The client authorizes THE LUBITZ FINANCIAL GROUP to instruct the appropriate custodian of their Managed Assets to deduct all advisory fees from the appropriate accounts in accordance with the Fee Schedule. On a continuous basis, in an effort to ensure accuracy, THE LUBITZ FINANCIAL GROUP shall forward the client a Client Notification Letter after all advisory fees are collected and paid. The notification will include complete details and explanation of the fees and calculations.

Fees for financial plans are billed 50% in advance, with the balance due upon delivery of the financial plan.

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**Other Fees**

Custodians may charge transaction fees on purchases or sales of certain securities, mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

THE LUBITZ FINANCIAL GROUP, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

To assist certain clients, THE LUBITZ FINANCIAL GROUP has entered into an Investment Management agreement with Advisor Partners, LLC (AP). AP has agreed to act as a sub-advisor, and as such will provide certain investment management services. AP will manage and invest clients' assets in accordance with the investment strategy selected by the investor and THE LUBITZ FINANCIAL GROUP. That strategy may include seeking to manage the tax impact of clients' investments through an individually managed US equity portfolio account in order to meet an investor's long-term goals of managing tax liability and controlling risk.

Advisor Partners, LLC Fee Schedule is as follows:

0.60% for the first \$500,000; plus  
0.40% for assets between \$500,001 - \$2,000,000; plus  
0.30% for assets between \$2,000,001 - \$10,000,000; plus  
0.20% for assets between \$10,000,001 and above.

THE LUBITZ FINANCIAL GROUP will charge their normal fee in addition to the Advisor Partners fee.

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### **Expense Ratios**

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to THE LUBITZ FINANCIAL GROUP.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

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### **Past Due Accounts and Termination of Agreement**

THE LUBITZ FINANCIAL GROUP reserves the right to stop work on any account that is more than 60 days overdue. In addition, THE LUBITZ FINANCIAL GROUP reserves the right to terminate any financial planning engagement where a client has willfully concealed, has refused to provide pertinent information about financial situations when necessary and appropriate or does not respond to our inquiries in a timely fashion in THE LUBITZ FINANCIAL GROUP's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 30 days.

## **Performance-Based Fees**

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### **Sharing of Capital Gains**

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

THE LUBITZ FINANCIAL GROUP does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

## **Types of Clients**

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### **Description**

THE LUBITZ FINANCIAL GROUP generally provides investment advice to individuals, pension and profit sharing plans, trusts, estates, or charitable organizations, corporations or business entities.

Client relationships vary in scope and length of service.

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**Account Minimums**

The minimum account size is \$1,000,000.00 of assets under management, which equates to an annual fee of \$10,000.00

When an account falls below \$1,000,000.00 in value, the minimum annual fee of \$10,000.00 is typically charged.

THE LUBITZ FINANCIAL GROUP has the discretion to waive the account minimum. Accounts of less than \$1,000,000.00 may be set up when the client and the advisor anticipate the client will add additional funds to the accounts bringing the total to \$1,000,000.00 within a reasonable time. Other exceptions will apply to employees of THE LUBITZ FINANCIAL GROUP and their relatives, or relatives of existing clients.

The fee range is influenced by numerous factors including: the composition of the account, the nature of the account, the existence of related accounts, the source of the account, the complexity of the account and when the account was opened.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

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**Methods of Analysis**

Security analysis methods may include fundamental analysis. In addition, suitable categories of investments are selected in accordance with the clients' attitudes about risk and their need for capital appreciation or income production. Within each category, individual investments whose characteristics are most consistent with the particular objectives for which the category was chosen are selected. Risk factors of the different investments are considered, particularly in light of the clients' willingness to assume short term volatility risk.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, and company press releases.

Other sources of information that THE LUBITZ FINANCIAL GROUP may use include Morningstar Principia mutual fund information, Morningstar Principia stock information, Charles Schwab & Company's "SchwabLink" service, Advisor Intelligence, and the World Wide Web.

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**Investment Strategies**

Our client's portfolios will be managed using a combination of both active and passive management styles, based on the belief that while passive (index-based) investment management is well-diversified and effective in some parts of the markets, not all parts of all markets are well suited to the passive approach. In those areas THE LUBITZ FINANCIAL GROUP deems as less

efficient, we may pick stocks and bonds or may choose to try to pick those managers and or mutual funds who have successful track records in these areas, Our clients need to understand that the results may range from above to below market results based on the skill of selection as well as the overall markets

Modern Portfolio Theory, as recognized by the 1990 Nobel Prize, 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).
- 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.
- Stocks/Stock funds offer the potential for higher long-term investment returns than cash or fixed income/bond/CD investments. Stocks are also more volatile in their performance. Investors seeking higher rates of return must increase the proportion of stocks in their portfolio, while at the same time accepting greater variation of results (including occasional declines in value).
- 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.

Given these tenets, the underlying approach to managing client accounts shall be to optimize the risk-return relationship appropriate to their needs and goals. Their Investment Policy will be diversified 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.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases, short-term purchases, and margin transactions.

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### **Risk of Loss**

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from



a steady stream of customers who buy electricity no matter what the economic environment is like.

- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## **Disciplinary Information**

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### **Legal and Disciplinary**

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

## **Other Financial Industry Activities and Affiliations**

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### **Financial Industry Activities**

#### **Other Business Activities**

Linda S. Boone, as an individual, not as The Lubitz Financial Group, will receive royalties from the sale of her book Creating an Investment Policy Statement.

Linda S. Boone, as an individual, not as The Lubitz Financial Group, has entered into a general partnership with her husband, Norman M. Boone and BLIPS Partners, LLC, whose purpose is to develop and produce software ([www.IPSAdvisorPro.com](http://www.IPSAdvisorPro.com)) and books and do public speaking respectively about investment policy statements.

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### **Affiliations**

Linda S. Boone is a shareholder in National Advisors Holdings, Inc., (NAH), that has formed a federally chartered trust company, National Advisors Trust Company (NATC). She owns less than 5% of NAH. The Office of Thrift Supervision regulates NAH and NATC. The trust company provides a low cost alternative to traditional trust service providers.

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

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## **Code of Ethics**

The employees of THE LUBITZ FINANCIAL GROUP have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

The Code is designed to ensure that the high ethical standards long maintained by THE LUBITZ FINANCIAL GROUP continue to be applied. The purpose of the code is to preclude activities which may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct. The excellent name and reputation of our firm continues to be a direct reflection of the conduct of each employee.

## **Participation or Interest in Client Transactions**

THE LUBITZ FINANCIAL GROUP and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of THE LUBITZ FINANCIAL GROUP Compliance Manual.

## **Personal Trading**

The Chief Compliance Officer of THE LUBITZ FINANCIAL GROUP is Linda S. Boone. She reviews all employee trades each quarter. Her trades are reviewed by Managing Director, Wealth Management. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

# **Brokerage Practices**

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## **Selecting Brokerage Firms**

THE LUBITZ FINANCIAL GROUP does not have any affiliation with product sales firms. Specific custodian recommendations are made to Clients based on their need for such services. THE LUBITZ FINANCIAL GROUP recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates. Typically accounts are established at Charles Schwab & Co, Fidelity Investments or National Advisors Trust Company. Clients' accounts at other custodians may also be managed.

## **Best Execution**

THE LUBITZ FINANCIAL GROUP reviews the execution of trades at each custodian periodically. The review is documented in the THE LUBITZ

FINANCIAL GROUP Compliance Manual. Trading fees charged by the custodians is also reviewed on an annual basis. THE LUBITZ FINANCIAL GROUP does not receive any portion of the trading fees.

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**Soft Dollars**

THE LUBITZ FINANCIAL GROUP maintains agreements with Charles Schwab Institutional, National Advisors Trust, and Fidelity Investments to provide institutional services to our clients. While there is no direct linkage between the investment advice given and affiliation with these organizations, economic benefits are received which would not be received if THE LUBITZ FINANCIAL GROUP did not give investment advice to clients and also use the services of these organizations. These benefits include: receipt of duplicate client confirmations and bundled duplicate statements, access to a trading desk serving institutional service participants exclusively, ability to have investment management fees deducted directly from client accounts, access to an electronic communications network for client order entry and account information, receipt of compliance publications, and access to mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors. The benefits received from these organizations may or may not depend upon the amount of transactions directed to, or amount of assets custodied by the organization. THE LUBITZ FINANCIAL GROUP may also take advantage of certain group discounts on publications and investment research that is available through the institutional service units. Webcasts are also made available, which cover practice management issues, compliance, and marketing updates. Additionally, during the year, we may sponsor various client educational events and seminars, where investment strategies and market conditions, among other topics, are discussed. Periodically, we may co-sponsor these events with mutual fund companies or custodians with which we have a business relationship.

The selection of any company as a custodian for clients is not affected by this nominal credit.

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**Order Aggregation**

Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit.

## **Review of Accounts**

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**Periodic Reviews**

Account reviews are performed quarterly by advisors Linda S. Boone, Tessie Yuste and Jorge Padilla, all are advisors at THE LUBITZ FINANCIAL GROUP. Account reviews are performed more frequently when market conditions dictate.

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**Review Triggers**

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

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**Regular Reports**

Account reviewers are all Certified Financial Planning Practitioners. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive periodic communications on at least an annual basis. Investment Advisory Agreement clients receive written quarterly updates. The written updates may include a, portfolio statement, market commentary, performance for specified periods, invoice, market returns and asset allocation chart.

Clients also receive monthly statements directly from the custodian. These statements can be received in either paper format or electronic format, as elected by the client. Should they select electronic delivery, they may be eligible for reduced transactions costs from the custodian.

## **Client Referrals and Other Compensation**

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**Incoming Referrals**

THE LUBITZ FINANCIAL GROUP has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

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**Referrals Out**

THE LUBITZ FINANCIAL GROUP does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

## **Custody**

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**Account Statements**

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly.

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**Performance Reports**

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by THE LUBITZ FINANCIAL GROUP.

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### **Net Worth Statements**

Financial Planning Clients can be provided with net worth statements and net worth graphs that are generated from our software systems. Net worth statements contain approximations of bank account balances provided by the client, as well as the value of land and hard-to-price real estate. The net worth statements are used for long-term financial planning where the exact values of assets are not material to the financial planning tasks.

## **Investment Discretion**

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### **Discretionary Authority for Trading**

THE LUBITZ FINANCIAL GROUP accepts discretionary authority to manage securities accounts on behalf of clients. THE LUBITZ FINANCIAL GROUP has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold in accordance with the client's Investment Policy Statement.

The client approves the custodian to be used and will pay transaction and other fees charged directly by the custodian. THE LUBITZ FINANCIAL GROUP does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in clients' accounts on their behalf so that we may promptly implement the investment policy that they have approved in writing.

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### **Limited Power of Attorney**

A limited power of attorney is a trading authorization for this purpose. The client signs a limited power of attorney so that we may execute the trades that the client has approved.

## **Voting Client Securities**

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### **Proxy Votes**

THE LUBITZ FINANCIAL GROUP does not vote proxies on securities. Clients are expected to vote their own proxies.

When assistance on voting proxies is requested, THE LUBITZ FINANCIAL GROUP will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

## **Financial Information**

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### **Financial Condition**

THE LUBITZ FINANCIAL GROUP does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because THE LUBITZ FINANCIAL GROUP does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

## **Business Continuity Plan**

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### **General**

THE LUBITZ FINANCIAL GROUP has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

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### **Disasters**

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, fibernet communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

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### **Alternate Offices**

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

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### **Loss of Key Personnel**

THE LUBITZ FINANCIAL GROUP's owner, Linda S. Boone is married to Norman M. Boone, President of Mosaic Financial Partners, a wealth management firm in San Francisco. Should Linda S. Boone become disabled or die, Norman Boone is the successor owner. His experience in managing a wealth management firm extends over 20 years.

## **Information Security Program**

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### **Information Security**

THE LUBITZ FINANCIAL GROUP makes best efforts to ensure that our client personal and confidential information will be kept confidential.

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### **Privacy Notice**

THE LUBITZ FINANCIAL GROUP is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from our clients may include information about personal finances, information about health to the

extent that it is needed for the financial planning process, information about transactions between our clients and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help our clients meet their personal financial goals.

With their permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom they have established a relationship. A client may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With our client's permission, we share a limited amount of information with the brokerage firm in order to execute securities transactions on their behalf.

We maintain a secure office to ensure that our client's information is not placed at unreasonable risk. We employ a firewall barrier, in our computer environment.

We do not provide any personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information will be maintained while they are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify a client in advance if our privacy policy is expected to change. We are required by law to deliver this Privacy Notice to our clients annually, in writing.

## **Brochure Supplement (Part 2B of Form ADV)**



## Brochure Supplement (Part 2B of Form ADV)

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### Education and Business Standards

THE LUBITZ FINANCIAL GROUP requires that advisors in its employ have a bachelor's degree and further coursework demonstrating knowledge of financial planning and tax planning. Examples of acceptable coursework include: an MBA, a CFP®, a CFA, a ChFC, JD, CTFA, EA or CPA. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management.

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### Professional Certifications

Advisors have earned certifications and credentials that are required to be explained in further detail.

Certified Financial Planner (CFP): Certified Financial Planners are licensed by the CFP Board to use the CFP mark. CFP certification requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP Board ([www.cfp.net](http://www.cfp.net)).
- Successful completion of the 10-hour CFP® Certification Exam.
- Three-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.

Chartered Financial Analyst (CFA): Chartered Financial Analysts are licensed by the CFA Institute to use the CFA mark. CFA certification requirements:

- Hold a bachelor's degree from an accredited institution or have equivalent education or work experience.
- Successful completion of all three exam levels of the CFA Program.
- Have 48 months of acceptable professional work experience in the investment decision-making process.
- Fulfill society requirements, which vary by society. Unless you are upgrading from affiliate membership, all societies require two sponsor statements as part of each application; these are submitted online by your sponsors.
- Agree to adhere to and sign the Member's Agreement, a Professional Conduct Statement, and any additional documentation requested by CFA Institute.



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Date of birth: 1950

- Professional Designations:
  - CFP® (Certified Financial Planner), 1990
- Educational Background
  - Agnes Scott College, Atlanta, GA 1970
  - University of Miami, Coral Gables, FL 1970
  - University of South Florida, Tampa, FL 1973
  - Florida International University, BA Economics, 1974
  - College for Financial Planning, CFP, 1990
  - Admitted to the Registry of Financial Planning Practitioners, 1991

**Business Experience:**

- 1/2004 – Present: Co-Partner, BLIPS Partners, LLC
- 7/99 – Present : President, The Lubitz Financial Group
- 1/97 – Present : President, Linda S. Lubitz, CFP, PA
- 1/2004 – 12/2009: Co-Partner, BLIPS LLC
- 1/2003 – 1/2009 Manager, Mosaic Financial Partners
- 3/93 – 7/99 Partner, Woolf, Lubitz and Foldes (formerly Woolf and Lubitz), Miami, FL
- 12/97 – 12/06 Registered Representative and Principal, Valmark Securities, Inc.

**Other Business Activities:**

Co-Partner/Co-Founder of IPS AdvisorPro®

Additional Compensation: Royalties from sale of book, software and public speaking.

**Supervision:**

Linda S. Boone is the President and is not supervised by another staff member. All client activities performed by Linda S. Boone are captured in our client relationship management system.

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

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**Tessie Yuste, MBA, CFP®, CRPC®, CDFA™**



Date of birth: 1959

- Professional Designations:
  - CFP® (Certified Financial Planner), 2009
  - CRPC® (Chartered Retirement Planning Counselor, 2007
  - CDFA™ (Certified Divorce Financial Analyst) , 2011
- Educational Background
  - Florida International University, Financial Planning Certification, 2006
  - University of Miami, Master of Business Administration, 1987
  - University of Miami, B.S. Electrical Engineering, 1982

Business Experience:

- 2007 – Present: Client Advisor, The Lubitz Financial Group
- 2006 - 2007: Financial Planner Associate, EBIS, Inc
- 1988 – 2002: VP Strategic Planning, VP Marketing, Director of Business Planning, Director Finance, Nortel Networks
- 1982 – 1988: Network Planning Engineer/Forecasting Engineer, BellSouth Telecom

Additional Compensation: None

Supervision:

Tessie Yuste is supervised by Linda S. Boone, President. She reviews Tessie Yuste's work through frequent office interactions as well as remote interactions. She also reviews Tessie Yuste's activities through our client relationship management system.

Linda S. Boone's contact information:  
Phone: (305) 670-4440  
Email: LindaL@LubitzFinancial.com

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

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**Jorge Padilla, CFP®**



Date of birth: 1985

- Professional Designations:
  - CFP® (Certified Financial Planner), 2011

- Educational Background

Winthrop University, BS Business Administration 2007

Business Experience:

- 4/2008 – Present: Client Advisor, The Lubitz Financial Group
- 12/2007 – 4/2008: Office Administrator Spencer & Spencer PA

Other Business Activities: None

Additional Compensation: None

Supervision:

Jorge Padilla is supervised by Linda S. Boone, President. She reviews his work through frequent office interactions as well as remote interactions. She also reviews his activities through our client relationship management system.

Linda S. Boone's contact information:  
Phone: (305) 670-4440

Email: [LindaL@LubitzFinancial.com](mailto:LindaL@LubitzFinancial.com)

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None