

## **Disclosure Brochure Supplement**

### **Item 1 – Cover Page**

**Laurence E. Lof**  
**Lof Lopez and Associates, LLC**  
4767 E. Camp Lowell Dr.  
Tucson, AZ 85712  
520-881-2523

Date of Brochure: June 2013

**This brochure supplement provides information about Laurence “Larry” E. Lof that supplements the Lof Lopez and Associates, LLC brochure (also referred to as “Lof Lopez” throughout this document). You should have received a copy of that brochure. Please contact Tami Coffman at 520-881-2523 or [tami.coffman@loflopez.com](mailto:tami.coffman@loflopez.com) if you did not receive the Lof Lopez brochure or if you have any questions about the contents of this supplement.**

**Additional information about Larry Lof is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

### **Item 2 – Educational Background and Business Experience**

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#### *Educational Background:*

- B.S., Finance from University of Arizona
- Graduate Renaissance Charitable Remainder Trust Planning School

#### *Business Experience:*

- Lof Lopez and Associates, LLC, Member/Advisor Representative (06/2007 – Present);
- Laurence E. Lof, Owner (08/1986 – 07/2007);
- Cambridge Investment Research, Inc., Registered Representative (08/2007 – Present);
- Linsco/Private Ledger, Financial Advisor (10/1997 – 07/2007)
- TransAmerica Financial Resources, Inc., Registered Representative, 05/1985-10/1997

#### *Professional Designations:*

Mr. Lof holds the CERTIFIED FINANCIAL PLANNER™ designation:

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is 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. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

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

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – 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 – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – 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*, to maintain competence and keep up with developments in the financial planning field; 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.

CFP Acknowledgment: Larry Lof acknowledges his responsibility as a CFP® Certificant to adhere to the standards that have been established in the CFP Board's Standards of Professional Conduct. If you become aware that Mr. Lof's conduct may violate the Standards of Professional Conduct, you may file a complaint with the CFP Board at [www.CFP.net/complaint](http://www.CFP.net/complaint).

### **Item 3 – Disciplinary Information**

On December 27, 2004, Larry Lof, entered into a letter of Acceptance, Waiver & Consent (AWC) with the Financial Industry Regulatory Authority (FINRA), formerly known as the National Association of Securities Dealers (NASD). FINRA is the self-regulatory organization for registered brokerage firms. An AWC is a mechanism permitting FINRA to resolve a controversy between a member firm and/or an associated person of a member firm over a violation of any rule, regulation or statutory provision, including federal securities laws and regulations.

The NASD alleged that during the years 2000 and 2001, Mr. Lof permitted an unlicensed individual to perform functions requiring proper registrations. Specifically, Mr. Lof allowed the individual to generally solicit business for Mr. Lof's financial services business, which included Mr. Lof's securities business. Mr. Lof compensated the individual in a manner that was based on a percentage of the securities commissions received by Mr. Lof for transactions in accounts of the clients solicited by the individual. The individual did not recommend any specific securities to clients.

Without admitting or denying the allegations, Mr. Lof consented to the described sanction and to the entry of the findings. Subsequently, Mr. Lof was required to pay a fine of \$5,000.

#### **Item 4 – Other Business Activities**

##### **Registered Representative of Cambridge Investment Research Inc.**

Larry Lof is separately licensed as a registered representative with Cambridge Investment Research, Inc. ("Cambridge"), a full service broker/dealer, member Financial Industry Regulatory Authority (FINRA) and Securities Investor Protection Corporation (SIPC). When acting in his separate capacity as registered representative of Cambridge, Mr. Lof may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, and variable annuity and variable life products to advisory clients. As such, Mr. Lof may suggest that advisory clients implement investment advice by purchasing securities products through a commission-based Cambridge account in addition to a Lof Lopez and Associates, LLC advisory account.

The receipt of commissions creates an incentive for Mr. Lof to recommend those products for which he will receive a commission. Consequently, the objectivity of the advice rendered to clients could be biased. Mr. Lof controls for this potential conflict of interest by discussing with clients the advantages and disadvantages of establishing a fee-based account through Lof Lopez and Associates, LLC versus establishing a commission-based account through Cambridge.

Mr. Lof will receive 12b-1 fees from certain mutual fund companies as outlined in the fund's prospectus. 12b-1 fees come from fund assets, therefore, indirectly from client assets. The receipt of such fees could represent an incentive for him to recommend funds with 12b-1 fees over funds that have no fees or lower fees. Typically, Mr. Lof will receive 12b-1 fees only in commission-based brokerage accounts. However, such fees can be earned in fee-based accounts he manages if 12b-1 fee paying mutual funds are held in the managed account. For ERISA accounts, there is an offset for any amount of 12b-1 fees. Mr. Lof discusses with clients the selection of a 12b-1 paying mutual fund or other trail paying mutual funds.

Clients are never obligated or required to establish accounts through Lof Lopez and Associates, LLC or Cambridge. However, if a client chooses not to accept Mr. Lof's advice or decides not to establish an account through Cambridge or a Cambridge-approved custodian, he may not be able to implement transactions for the client. Clients should understand that, due to certain regulatory constraints, Mr. Lof, in his capacity as a Cambridge registered representative must place all purchases and sales of securities products in commission-based brokerage accounts through Cambridge or its other approved institutions.

##### **Insurance and Annuity Sales Activities**

Larry Lof is independently licensed to sell insurance and annuity products through various insurance companies. When acting in this capacity, Mr. Lof will receive commissions for selling insurance and annuity products.

Mr. Lof may also receive other incentive awards for the recommendation/sale of annuities and other insurance products. The receipt of compensation and other incentive benefits may affect his judgment when recommending products to his clients. While Mr. Lof endeavors at all times to put the interest of his clients first as a part of Lof Lopez's overall fiduciary duty to clients, clients should be aware that the receipt of commissions and additional compensation itself creates a conflict of interest, and may affect Mr. Lof's decision making process when making recommendations.

Clients are never obligated or required to purchase insurance products from or through Mr. Lof and may choose any independent insurance agent and insurance company to purchase insurance products. Regardless of the insurance agent selected, the insurance agent or agency will receive normal commissions from the sale.

#### **Other Activities**

Mr. Lof is a shareholder of Halo Cups, Inc., a company in the business of developing and marketing souvenir, disposable and insulated cups. Halo Cups, Inc. is a non-investment related business and Mr. Lof's clients are not solicited to invest in the company.

In his individual capacity, Mr. Lof is involved in raising and breeding horses on a for-profit basis.

These two activities comprise a small amount of time.

#### **Item 5 – Additional Compensation**

Certain product sponsors may provide Mr. Lof with other economic benefits as a result of his recommendation or sale of the product sponsors' investments. The economic benefits received by Mr. Lof from Lof Lopez and Associates, LLC and product sponsors can include but are not limited to, financial assistance or the sponsorship of conferences and educational sessions, marketing support, incentive awards, payment of travel expenses, and tools to assist Mr. Lof in providing various services to clients. Although Lof Lopez and Associates, LLC endeavors at all times to put the interest of its clients ahead of its own or those of its officers, directors, or representatives, these arrangements present a conflict of interest that may affect the decision making process of Mr. Lof.

#### **Item 6 – Supervision**

Christopher Lopez is the Chief Compliance Officer of Lof Lopez and Associates, LLC. He is responsible for developing, overseeing and enforcing the firm's compliance programs that have been established to monitor and supervise the activities and services provided by the firm and its representatives, including Larry Lof. Christopher Lopez can be contacted at 520-881-2523.

#### **Item 7 – Requirements for State-Registered Advisers**

Mr. Lof has not been involved in an arbitration claim, or in a civil, self-regulatory organization, or administrative proceeding resulting in an award or otherwise being found liable. Further, he has not been subject to a personal bankruptcy proceeding.