

Item 1. Cover Page

DISCLOSURE BROCHURE and BROCHURE SUPPLEMENT

March 31, 2014

Lighthouse Financial LLC

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This brochure and brochure supplement provides information about the qualifications and business practices of Lighthouse Financial LLC. If you have any questions about the contents of this brochure, please contact us at (303) 444-1818. Our website is www.lighthousefinancial.biz. 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.

Lighthouse Financial LLC is a registered investment adviser with the Securities and Exchange Commission. Registration of an investment adviser does not imply a certain level of skill or training.

Additional information about Lighthouse Financial LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Material Changes

On July 28, 2010, the United States Securities and Exchange Commission ("SEC") approved new requirements for the disclosure document ("Brochure") required to be provided to clients that affected both the format and content of the Brochure.

The Material Changes section of the Brochure will address specific material changes in future versions of the Brochure and include a summary of such changes since the last annual update. We will also state the last date of our annual update of the Brochure in this section.

You may request a copy of our current Brochure at any time, which we will provide to you free of charge. If you would like to request a copy of our current Brochure, please contact our compliance department at (303) 444-1818.

SUMMARY OF MATERIAL CHANGES/UPDATE March 31, 2014

- Lighthouse Financial, LLC (LH) is now 85% held by J. Lynn Hinds, Managing Partner and 15% by Michael Gordon, Chief Operating Officer.
- The asset management fee structure was standardized to one schedule. LH now offers a risk overlay strategy that may be added at the client's discretion for an additional fee.
- Trading costs are now paid by the client.
- LH enhanced the investment philosophy to a multifaceted approach incorporating quantitative, economic and fundamental research.
- LH has engaged two sub advisors to provide additional research analysis and portfolio model development. LH has developed relationships with Horizon Investments.

Horizon relationship: In conjunction with Horizon we use a multi-disciplined approach utilizing market state analysis to define the characteristics of markets as they change their volatilities and relationships to one another and make assumptions to solve a mean variance optimization problem. Additionally we use their Quantitative Ranking and Evaluation analyses to identify what we believe are the best ideas for assets to include in our portfolios. This is followed with Economic and Fundamental evaluations to identify assets that are trending favorably and confirm which assets should be placed in our portfolios. This process is dynamic in nature and reviewed on a quarterly basis.

SEI relationship: In conjunction with SEI they use an Active Asset Allocation process that incorporates Economic Data and Analysis, Market Valuations and Trends and Investor Sentiment and Technicals to create models. Additionally, SEI has created their own proprietary Multi-Asset funds which incorporate a multi-manager approach within these funds that are continually evaluated for performance and actively managed. SEI has been added as an additional custodian when they are utilized in managing client portfolios.

- **Risk of Loss:** Lighthouse offers a risk overlay at client discretion for portfolios sub-advised by Horizon and SEI. The risk overlay process tracks a 270 day moving average of assets held in a model and may buy or sell assets that move above or below the average. Individual assets that have been transferred in and are retained outside of assets normally held within a model may have individual stops placed on them rather than tracking a moving average.
- Employees are not allowed to invest in initial public offerings (IPO's) whereas previously employees were required preclearance from the CCO.

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Item 4. Advisory Business

A. The Firm and Principal Owners

Lighthouse Financial, LLC (LH), ("Lighthouse" or "the Firm") has been a registered investment adviser with the SEC since December of 1999. We are eighty five percent (85%) owned by our Managing Partner, J. Lynn Hinds and fifteen percent (15%) owned by Michael Gordon, Chief Operating Officer.

B. Types of Services Offered

Financial Planning Services:

LH offers complete financial planning services. LH financial planning services include defining the client's personal goals; evaluate the client's existing financial circumstances, and developing coordinated strategies to meet the client's financial objectives. LH financial plans include a written and online presentation of the client's objectives and goals; a summary of LH assumptions used in preparing the client's financial analyses, discussions addressing each of the client's objectives and addressing the client's ability to achieve each goal and recommendations by detailing the steps the client must take to achieve the client's goals. LH financial planning services may include the following areas:

- Retirement Planning

LH retirement planning services may include, but are not limited to, the following:

- Creating income projections based on an assumed investment return, rate of inflation, retirement age and retirement spending;
- Creating distribution and withdrawal options, including lump-sum distributions, mandatory distributions, beneficiary designations and pension pay-out options.
- Generating a Social Security analysis in an effort to maximize your benefits
- Recommending cash flows, savings and debt repayments;
- Calculating income tax, possible penalty tax, and estate tax;
- Creating simulation models, such as Monte Carlo or historical simulations that indicate probability of success based on mathematical modeling.

- Income and Expense, Net Worth, and Tax Statements

LH will prepare current year financial statements and LH may also include projected multiple-year financial statements. LH will also make recommendations for tax planning, debt reduction, liability management and cash flow management.

- Education Funding Planning

LH will analyze the client's educational planning needs to determine a college education for the client's children that are compatible with their skills and desires and the client's financial goals. LH educational planning services include recommendations for savings, analysis of the taxation of college savings, discussion of ownership and control issues, the impact of saving on financial aid and the use of trusts.

- Business Planning

LH will provide the client, as the owner of a small business, with advice about business continuation planning, employee benefit plans and qualified and non-qualified retirement plans.

- Insurance Planning

LH will review the client's risk protection for premature death, disability, long-term care and casualty losses.

- Estate Planning

LH estate planning services address the client's concerns regarding the accumulation, conservation, and distribution of the client's estate property. LH will analyze the client's income sources for the client's lifestyle and gifting desires and then recommend strategies for the distribution of the client's estate. LH will work closely with the client's attorney and the client's other advisers to develop strategies designed to accomplish the client's objectives and minimize the client's taxes.

- Charitable Gift Planning

LH will help the client, as an individual, or the client's family, define and achieve the client's philanthropic goals through charitable gift strategies. LH will work with the client's other advisors to recommend strategies to the client to minimize taxes, protect the client's family and benefit non-profit organizations.

Discretionary Asset Management Services

LH provides discretionary asset management services based on the client's personal objectives, risk tolerance, and time horizon. Based on information from an investor profile and analysis of a client's financial situation, LH develops a written statement of investment policy, initial asset allocation model and recommended portfolio. LH provides continuous portfolio supervision through a detailed investment process.

LH utilizes a multi-disciplined approach in managing portfolios. LH considers the economic conditions by country, consumer and credit quality. LH develops and monitors asset allocation techniques, investment strategies and market models. And LH analyzes industries, sectors, and companies for potential opportunities. This is a dynamic process that is reviewed on a periodic basis and adjusted according to current conditions.

Currently we utilize investment analysis, portfolio modeling and strategies from Horizon Investments LLC to create and review various models. Horizon is located in Charlotte North Carolina and manages in excess of one billion dollars.

Additionally, we utilize SEI in a similar manner with SEI creating the models and having custody of client assets. We have discretion in modifying their models. They generally ascribe to modern portfolio theory and to a buy and hold philosophy with periodic rebalancing. SEI currently manages in excess of two hundred billion dollars.

LH is more interested in managing risk (minimizing loss) than LH is in managing for tax efficiency. Taxable gains and/or losses are not an issue in qualified accounts - IRA's, tax sheltered accounts, etc. LH does offer tax managed strategies where assets transferred to LH

have a low cost basis or current income taxes are a concern. Capital that is required within six (6) to twelve (12) months should not be included.

LH methodology for managing risk is to track a 270 day moving average for each individual asset held in a specific model a sell signal is generated. When the asset price falls below its 270 day moving average (including income received since the purchase of the asset or in some instances income generated in the past twelve months prior to purchasing the asset) and it is confirmed the following day by the price moving lower we may sell. Subsequently, when the benchmarks generate a buy signal utilizing the same methodology LH may buy. Additionally, LH may place specific stop loss strategies on specific assets held within a portfolio.

Non-Discretionary Advisory Services:

LH also offers investment advice on investments, portfolio allocation models, securities analyses and selection and portfolio construction on a non-discretionary basis. The investment advice may include continuous monitoring of the portfolio and/or periodic portfolio reviews.

C. Level of Services Provided to Clients with managed investments

LH tailors our advisory services to the individual needs of LH clients. LH Professional Advisors discuss and advise the client on the types of investments and investment strategies based upon the client's financial situation, risk profile and financial goals. This process requires LH Professional Advisors to collect information about the client through personal interviews and completion of an investor profile. Based on this information, the Professional Advisors will then develop a written statement of investment policy, initial asset allocation model and recommended portfolio for the client and place the client's assets in an appropriate established portfolio strategy. However, LH may customize the strategies based upon the client's particular circumstances. Once LH places the client in an appropriate portfolio strategy, LH will provide the client with continuous portfolio supervision through a detailed investment process and individual portfolio monitoring. The client is permitted to impose reasonable investment restrictions on investing in certain securities or types of securities. Additionally, after collecting information regarding the client's income needs, if the client is in a withdrawal phase from the client's investments LH will develop a withdrawal plan. The client is permitted to modify their income needs at any time.

D. Assets Under Management

As of December 31, 2013, Lighthouse manages \$105,590,447 of assets on a discretionary basis and \$7,452,599 of assets on a non-discretionary basis. The assets under management calculation are found in Item 5(F) of our Form ADV 1.

Item 5. Fees and Compensation

A. Asset Management Fees

LH charges a declining asset management fee that is due and payable in advance at the end of each fiscal quarter. LH calculates our advisory fee based on the market value of the aggregate account assets under LH management (including cash) as of the close of business on the last business day of the fiscal quarter. The fee schedule is billed quarterly in advance and as stated in

the investment management agreement. If the SEI investment platform is utilized, the same fee schedule applies and the quarterly fees are billed in arrears.

The Lighthouse Fee schedule is as follows:

Annual Percentage	Portfolio Value
1.40%	\$0 - \$250,000
1.20%	\$250,001 - \$500,000
1.05%	\$500,001 - \$1,000,000
.80%	\$1,000,001 - \$2,000,000
.55%	\$2,000,001 +

Lighthouse fee schedule with Risk Overlay is as follows:

Annual Percentage	Portfolio Value
1.75%	\$0 - \$250,000
1.30%	\$250,000 - \$500, 000
1.15%	\$500,000 - \$1,000,000
.90%	\$1,000,001 - \$2,000,000
.65%	\$2,000,001 +

Investment Advice and Financial Planning Fees

The LH fee for providing investment advice and financial planning services generally falls within a range of one hundred dollars (\$100.00) to five thousand dollars (\$5,000.00), depending on the complexity and size of the portfolio, and the number of hours we needed to create a financial plan. The LH hourly fees range from seventy-five dollars (\$75.00) an hour for administrative staff to two hundred fifty dollars (\$250.00) an hour for the financial planner time. The fee must be agreed upon in advance. One half of the agreed upon fee is due prior to beginning the advisory or financial planning work. The remaining balance is due upon the completion of the LH advisory or financial planning work. LH will deliver the agreed upon plan within six (6) months of the date of the signed advisory agreement. The fee may include further guidance in the implementation of the plan recommendations, but does not include regular updates or reviews of the client's plan after one year.

B. Payment of Fees

The LH advisory agreement provides for authorized deductions directly from accounts held at the qualified custodians. The qualified custodian will directly debit the account for fees payable and will forward those fees to us or our designated agent. Please be aware that when the qualified custodian deducts fees directly from your account, it is your responsibility to edit your account and notify us as to any discrepancies.

- LH provides written authorization for the qualified custodian to debit the client's account; and at least quarterly, sends notification showing the amount of the fee, the value of the assets in the account(s) on which the fee is based, the rate at which the fee was calculated and the period covered.

C. Additional Fees and Expenses

In addition to the asset management and financial planning fees described above, LH clients are responsible for paying the following fees and expenses applicable to their accounts:

Transaction costs and related trading expenses; stock odd-lot differentials; transfer taxes; wire transfer and electronic fund fees; other fees and taxes related to brokerage accounts; deferred sales charges; IRA and qualified retirement plan fees; internal management fees and administrative expenses for mutual funds and exchange traded funds that are disclosed in the fund prospectus; mutual fund or money market 12b-1; and other fees and expenses required by law.

LH strives to minimize these expenses and all costs are disclosed on the client's quarterly investment report. Please refer to Item 12 (Brokerage Practices) below for more information on our brokerage practices.

D. Prepayment of Fees

The asset management fee is due and payable in advance at the end of each fiscal quarter and is based on the market value of the client's aggregated account assets under LH management (including cash) as of the close of business on the last business day of the fiscal quarter. Accounts established during a fiscal quarter are billed at the beginning on the following quarter.

The client has the right to terminate their investment management agreement with LH without penalty within five (5) days after the effective date of the agreement by providing notice to LH in writing. After five (5) days, the client will incur a pro rata charge for the bona fide advisory services that LH has provided to client up to the date of the termination of the agreement. LH will refund the client the prepaid quarterly fee amount less the fee amount prorated to the date of termination.

For LH financial planning services, the client should receive the client's final plan from LH within five (5) months. If the client has not received their plan within five (5) months, LH will return the client's initial payment before six (6) months have passed. If the client terminates the client's financial plan agreement with LH prior to LH's delivery of the financial plan to the client, the client may be eligible for a partial refund on pro-rated basis based upon the amount of time LH have spent on the client's project.

E. Compensation for Sale of Securities or Other Investment Products

LH does not charge commissions in addition to asset management fees. However, some mutual funds distribute payments to broker-dealers pursuant to a 12b-1 distribution plan, or other such plan, as compensation for brokerage services. In their capacity as a broker-dealer agents acting on the client's behalf, LH Professional Advisors may be eligible to receive such service fees and compensation. It is generally LH policy that Professional Advisors not receive 12b-1 fees on mutual funds recommended. One exception to this practice is the case where LH recommends a variable annuity to a client. In this case, a commission on the sale of the variable annuity and receive ongoing 12b-1 fees from the sale may be received. In cases where LH is granted

authority by the client to manage the investment options inside the annuity on a discretionary basis, LH does not charge advisory fees. LH considers the payment of commissions and ongoing 12b-1 fees to be the compensation in these situations. A conflict of interest exists in these arrangements. The Professional Advisor may have a financial incentive to recommend a variable annuity based upon the compensation he or she will receive rather than on the best interests of the client. LH addresses this conflict by requiring that all variable annuity sales be reviewed and approved by the Chief Compliance Officer to ensure the recommendation is appropriate for the client after considering other investment alternatives.

In cases where LH prepares a financial plan or performs other investment advice on a non-discretionary basis, the client has a choice as to whether they want to implement the financial plan or recommended portfolio through LH or use another financial advisor or institution that is not affiliated. If the client uses Lighthouse to implement the recommended portfolio the Professional Advisor has a conflict of interest in that they may receive compensation in the form of commissions or a share of the advisory fee for all or part of the recommended portfolio. This conflict is disclosed to clients in the client agreement. LH also discloses the conflict when LH meets with the client to discuss the implementation of the plan. In addition, if LH recommends mutual funds in these cases, LH will generally recommend “no load or load waived” funds. A “no load” fund does not charge a sales commission. A load waived fund does not charge a sales commission but may pay a 12b-1 service fee.

LH Professional Advisors are also representatives of unaffiliated insurance agencies. In their capacity as insurance agents they may offer insurance products and receive normal and customary commissions as a result of such transactions. Therefore, when the client purchases insurance products from a LH Professional Advisor who is also an insurance agent, there may be a potential conflict of interest because the Professional Advisors have an interest in making commissions on sales that may not be in the client’s best interests. LH addresses this conflict by requiring that the Chief Compliance Officer review all insurance sales to advisory clients to ensure the product is suitable for the client.

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

Performance-based fees are based on a share of the capital gains on, or the capital appreciation of, clients' assets. LH and our supervised persons do not charge performance-based fees.

Item 7. Types of Clients

LH manages investment advisory accounts for individuals, trusts, estates, and qualified and non-qualified retirement plans. LH does not require clients to make a minimum investment in order to open an investment advisory account with LH. However, LH generally discourages investment advisory accounts with less than \$100,000 unless you plan on adding additional funds within a reasonable period of time that will create an advisory account with a minimum of \$100,000 of investable assets.

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

A. Method of Analysis and Investment Strategy

LH primarily utilizes outside web based financial strategies or programs that provides current and historical (up to ten years) information on assets to determine the suitability and inclusion of these assets in our managed accounts. In determining the suitability of various investments LH takes into consideration the profile, holdings, historical performance and pricing, trading volume, and size of the asset as well as any unusual or unique attributes before placing an investment in client portfolios. As a general rule LH does not invest in thinly traded investments with low daily volume, low priced stocks or assets with less than one year's history. LH has the ability if the historical information is available to back test investments for up to ten years.

1. Most of LH investment models are actively managed and traded. LH models that have a risk overlay will be actively traded based upon LH risk management strategy. LH risk overlay strategy is not managed for tax efficiency as the average holding period is often less than one year. It is managed for risk reduction and preservation of capital. Additionally, LH may use rebalancing when funds are added, withdrawn or are sold out of a model. As a general rule LH has different models available to meet the client's needs; accelerated growth, growth, moderate, conservative, strategic income, strategic, custom and a defensive income model. LH utilizes a risk tolerance questionnaire that is completed by the client to determine which model or models are suitable for investment. LH models are managed on a discretionary basis with LH having a limited power of attorney to buy and sell assets in the client's account.
2. Our basic platforms are a more traditional buy and hold approach to managing client assets. LH relies on the historical performance of each asset included in the portfolio and diversification for the construction of client portfolios. LH may utilize a rebalancing strategy whenever funds are added or withdrawn or on an annual basis as a risk management tool. LH takes into consideration the profile, holdings, historical performance and pricing, trading volume and size of the asset as well as any unusual or unique attributes before placing an investment in client portfolios.

B. Material Risks Involved for Each Significant Investment Strategy

Possible risks in the LH active investment strategy are the possibility of owning an asset that underperforms. Another risk is potential of overlap, concentration of individual securities inside two or more mutual funds or ETF's.

Possible risks utilizing modern portfolio theory are remaining fully invested during a significant market decline and owning assets that under perform for a period of time.

The Risk Overlay strategy risk may be selling an asset and realizing a loss when immediately thereafter a sharp reversal causes the price of the asset to increase above the selling price. Additionally there may be trading costs and adverse tax consequences in taxable accounts. This strategy will generally lag a buy and hold strategy when the market begins appreciating because of a defensive cash position and later subsequent re-entry into the market.

C. Material Risks Associated with Certain Securities

There are certain risks associated with investments that may result in a loss. Clients who have a short term needs for liquidity (less than one year) should not invest those funds in a managed account. Lighthouse invests client assets primarily in ETF's (exchange traded funds), mutual funds, FDIC insured instruments and individual stocks and bonds. Some of the risks associated with these investments are as follows: (1) The mutual fund or ETF could be closed or liquidated (2) Mutual funds, ETF's, stocks and bonds are subject to a decrease in value due to market fluctuations (3) The underlying companies included in a mutual fund or ETF or the individual stock or bond can be merged, sold, liquidated or go bankrupt (4) The government may exercise a circuit breaker on any exchange and stop all trading for a period of time (5) There can be a change in management at all levels (individual company, fund level, Lighthouse Financial) which may have an impact on performance (6) Under our risk managed strategy there may be frequent trades that generate short term losses in a volatile market. Frequent trades may also generate short term gains in taxable accounts which are currently taxed at a higher rate. (7) There may be a lack of liquidity from investments in individual bonds or CD's

Leveraged or Inverse ETFs. Leveraged ETFs seek to deliver multiples of the performance of the index or benchmark they track. Inverse ETFs (also called "short" funds) seek to deliver the opposite of the performance of the index or benchmark they track. Both leveraged and inverse ETFs pursue a range of investment strategies that may include swaps, future contracts and other higher risk derivative instruments. Most leveraged and inverse ETFs are "reset" daily, meaning that they are designed to achieve their stated objectives on a daily basis. Their performance over longer periods of time can differ significantly from the performance (or inverse of the performance) of the underlying index or benchmark during the same time. This effect can be magnified in volatile markets. In addition, Leveraged or Inverse ETFs may be less tax efficient because daily resets can cause the ETF to realize significant short-term capital gains that may not be offset by a loss.

Item 9. Disciplinary Information

LH has determined that LH does not have any legal or disciplinary events that are material to the clients' or prospective clients' evaluation of LH's advisory business or the integrity of LH management.

Item 10. Other Financial Industry Activities and Affiliations

A. Registered Broker-Dealers

LH is not a registered broker-dealer. LH management persons are registered representatives of Cambridge Investment Research, Inc., ("Cambridge"), an unaffiliated FINRA broker-dealer. LH acts as an Office of Supervisory Jurisdiction ("OSJ") for Cambridge. The OSJ management is responsible for supervising the brokerage activities of LH Professional Advisors who are also registered representatives of Cambridge.

B. Registered Futures Commission Merchant, Commodity Pool Operator, a Commodity Trading Advisor

LH and our management persons are not registered and do not have an application pending to register as a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of these entities.

C. Material Relationships with Related Persons and Conflicts of Interest from Relationships with Related Persons

LH does not have any material relationships with any companies affiliated with our firm. LH has discussed our arrangement with Cambridge, an unaffiliated broker-dealer and potential conflicts of interest in Item 5 and Item 12 of this Brochure.

LH Professional Advisors may be licensed as insurance agents of unaffiliated insurance agencies. See Item 5 for a discussion of potential conflicts of interest associated with this affiliation.

D. Conflicts of Interest from Arrangements with Other Investment Advisers

LH does not recommend or select other investment advisors for our clients or receive compensation directly or indirectly from any advisors that creates a material conflict of interest. LH does not have any other business relationships with any other advisors.

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

A. Summary of Code of Ethics

LH will provide our Code of Ethics (the "Code") in its entirety to any client or prospective client upon request. The following is a summary of the key provisions of the Code:

1. **Scope** - The Code covers all directors, officers, partners, employees, and any other persons who are under the Firm's supervision and control.
2. **Fiduciary Duties** - This Code of Ethics is based on the principal that LH and its employees owe a fiduciary duty to its clients. Accordingly, LH and its employees must avoid activities, interests and relationships that might interfere or appear to interfere with making decisions in the best interests of our advisory clients.
3. **Personal Securities Trading** - All Employees are subject to certain trading restrictions. In addition, all employees must report their personal securities transactions quarterly and personal securities holdings annually.
4. **Code of Conduct** - The Code contains specific topics designed to reflect the Firm's commitment to ethical conduct. The Code also addresses the principles of **integrity, objectivity, competence, fairness, confidentiality, professionalism and diligence**.

You may receive a copy of our Code of Ethics by contacting J. Lynn Hinds at 360 Interlocken Blvd., Suite 101, Broomfield, CO 80021-3496, (303) 444-1818.

B. Recommending Securities in Which We Hold a Financial Interest

LH does not recommend or buy or sell securities in which LH or a related party holds a material financial interest.

C. Lighthouse Employees Investing in the Same Securities as Clients

LH permits our supervised persons to trade in the same securities as those held by clients. Potential conflicts arise when our supervised persons buy or sell the same securities LH buys or sell for clients. For instance, if supervised persons have knowledge of pending client trades that could impact the market price of a security, they could time their transactions so as to receive a better price than that of the clients. Our policy is to prohibit supervised persons from purchasing or selling securities for their accounts in any manner that might conflict with our clients.

In addition, LH does not allow employees to invest in initial public offerings (IPO's). Associated persons, aside from those in their status as clients of the LH, are not permitted to participate in aggregated trades with client accounts. For additional information on aggregation of trades see Item 12(B).

D. Lighthouse Employees Trading in the Same Securities as Clients at the Same Time

See Item 11(C) above.

Item 12. Brokerage Practices

A. Criteria for Recommending Brokers to Clients

LH requires that clients designate Cambridge Investment Research, Inc. ("Cambridge") to act as the broker and Pershing LLC ("Pershing") or SEI to act as the custodian for their accounts.

We selected Cambridge as the broker and Pershing and SEI as the custodians in our program after considering a wide range of factors including, among others:

- Financial strength, integrity and stability; quality of their trading and execution services; competitiveness of the fees based upon the quality of service; breadth of available investment products (mutual funds and ETF's) and responsiveness.

Pershing and SEI charge clients a transaction fee for effecting some securities transactions. LH seeks to negotiate competitive rates for our clients. However, the transaction fees charged by the broker may be higher or lower than those charged by other brokers for the same services.

LH executes client trades through Cambridge/Pershing and SEI where the client's account is maintained. LH requires best execution which means the most favorable terms for a transaction based on all relevant factors, including execution capability, transaction costs, and value of research, responsiveness and financial strength and reputation of the broker.

Products and Services Available to Us from Cambridge

Cambridge and SEI provide LH and our clients with certain services and benefits that help us manage or administer clients' accounts.

Among the services provided by Cambridge and SEI that **directly benefit clients** are: execution and settlement services, broad range of investment products, custody of client assets, and availability of certain investment products that are not available to retail accounts.

Certain services provided by Cambridge and SEI may **benefit us but may not directly benefit clients**. These services assist us in managing client accounts. They include, but are not limited to:

- Research, pricing services and other market data; the ability to electronically download client trades, balances and positions and input them in to our portfolio record keeping systems; the use of trading software to facilitate trade execution and aggregate orders for multiple client accounts; the ability to debit our management fees directly from client accounts and provide access to client account data such as confirmations and statements

Potential Conflicts of Interest Arising from Broker Arrangements

The following potential conflicts of interest arise from our Broker/Custodian Arrangements

- The products and services made available to us through Cambridge and SEI may directly benefit LH because we do not have to produce or pay market value for such products and services.

LH continually examines this potential conflict of interest. LH has determined that our selection of Cambridge/Pershing is in the best interests of our clients. Our selection is primarily based upon the quality and price of the services provided that benefit LH clients and not on those services that may benefit LH.

Soft Dollar Programs

LH may participate in soft dollar programs where soft dollar credits are generated based upon a certain level of assets purchased on behalf of our clients. All soft dollar programs must be approved by our Broker Dealer (Cambridge Investment Research LLC.) prior to participation.

Brokerage for Client Referrals

LH does not select or recommend brokers or direct client transactions to brokers based upon whether LH or our Professional Advisors receive client referrals from such brokers.

Cambridge/Pershing Directed Brokerage

LH requires our clients to designate Cambridge to act as the broker and Pershing or SEI to act as the Custodian for their accounts. LH has provided a full explanation of this practice and the consequences to the client under Selection of Broker Custodian at the beginning of Item 12A. Representatives of LH are available to address any questions a client or prospective client may have regarding the Firm's arrangement with Cambridge/Pershing and SEI and any corresponding perceived conflict of interest any such arrangement may create.

Cambridge, Pershing and SEI are not affiliates of Lighthouse.

Client Directed Brokerage

We do not allow our clients directed brokerage.

B. Trade Aggregation

We aggregate orders for the sale and purchase of securities for our clients if we believe we can obtain a better execution price. For aggregated trades that are fully executed, each client will receive the number of shares originally intended for his or her account. In the event trades are partially executed, clients will receive a pro-rated allocation. An aggregated order for the remaining shares will be entered the next trading day. For aggregated orders that are executed in more than one transaction, the client's portion of such order is the average of the prices at which all of such transactions were executed for each day. The average price may be greater or less than the price the client would receive if the trade was done separately for such client. All transaction costs for aggregated orders will be shared on a pro-rata basis.

Item 13. Review of Accounts**A. Review of Client Accounts**

Pershing or SEI, as the custodian for your account, will provide statements for your account at least quarterly.

Lighthouse monitors your account continuously and schedules regular investment meetings based upon a mutually agreed schedule. Lighthouse may also address other financial planning topics with you at these meetings for no additional fee.

In addition, Lighthouse offer on-line electronic or written Quarterly Performance Reports on managed accounts and compares them with your IPS to determine whether you are meeting your goals. Your IPS will help you track your investment objectives, time horizon and expected rate

of return. Lighthouse also provide electronic access via a password protected venue for viewing your account on a 24/7 basis.

Other than for general advice, Lighthouse does not review the accounts of those who contracted for a one-time-only financial plan. However, such persons may enter into a new agreement with Lighthouse for annual updates of their financial plan for a stated fee. The content of these reviews may include updated financial statements, tax analysis, investment summary, asset allocation analysis, retirement and other funding updates, and estate review.

Lighthouse requires each Professional Adviser to evidence their account reviews and submit them to the Advisory Supervisor. In addition, our Chief Compliance Officer and the Advisory Supervisor review every report, contract, and financial plan Lighthouse delivers to clients.

B. Review of client accounts on other than a periodic basis, along with a description of the factors that trigger a review.

Factors that may cause our Professional Adviser, Advisory Supervisor or Chief Compliance Officer to review a client's account more frequently may include volatile market periods and changes in your objectives.

C. Description of the content and indication of the frequency of written or verbal regular reports that Lighthouse provides to clients regarding their accounts.

Lighthouse offers Quarterly Performance Reports, including portfolio statements, either in hard copy or on-line. The Performance report includes periodic Time Weighted Rates of Return for the entire portfolio and individual account listings by registration including each asset owned in the account.

In addition, Pershing or SEI, our current custodians of client accounts, provides either in hard copy or on-line monthly account statements.

Item 14. Client Referrals and Other Compensation

A. Economic Benefits from Third Parties

Lighthouse may receive an economic benefit from the broker we recommend to clients. This benefit is in the form of products and services the broker makes available to investment advisers whose clients maintain their accounts with Cambridge/Pershing or SEI. The actual products and services received that may benefit us and potential conflicts of interest are fully described in Item 12 (Brokerage Practices) above.

Lighthouse may receive a small fee from Everbank for certain types of accounts that are opened. This may be the form of income or small gifts with a value of less than (50) dollars. The Firm's owner has the right to be included in an equity participation program offered by Cambridge Investment Research Inc., the broker-dealer utilized by the Firm. We do not receive any other economic benefit from a third party for providing investment advisory services.

B. Compensation to Third Parties for Referrals

We do not have any solicitors or solicitation agreements.

Item 15. Custody

Lighthouse requires that our clients designate Pershing or SEI to act as the custodian for their accounts as part of their client advisory agreement with us. Lighthouse does not maintain physical custody of any client assets. However Lighthouse does debit client advisory accounts for payment of our advisory fees. This policy is more fully described under Item 5, Fees and Compensation.

Pershing or SEI will directly send in paper format or electronic format account statements at least quarterly. The account statements produced by Pershing or SEI list account balance(s), transaction history and any fee debits or other fees taken out of their accounts including our advisory fee. Clients should carefully review the account statements for accuracy.

Lighthouse does not provide separate account statements to clients. Lighthouse does provide quarterly performance reports to our clients as well as electronic access detailing account balance(s), assets held within the account and any fees (including our advisory fee) on demand on a 24/7 basis. For those clients who desire their quarterly reports in paper format Lighthouse provides those as well. Lighthouse urges clients to compare the account statements they receive from Pershing or SEI with the performance reports they receive from us. If clients have any questions about their account statement or if they do not receive an account statement, they should contact our Compliance department at 303-444-1818.

In some instances Lighthouse utilizes SEI as a sub advisor for a variety of investment models. When SEI is utilized they act as custodians for accounts held at SEI and furnish written or electronic performance reports. SEI is an approved sub advisor with Cambridge Investment Research Inc.

Lighthouse encourages our clients to raise any questions with us about the custody, safety or security of their assets.

Item 16. Investment Discretion

Clients must sign a discretionary investment management agreement with Lighthouse before we will begin managing their accounts on a discretionary basis. This agreement gives Lighthouse the right to purchase or sell assets in the account, as well as the right to choose the price and time of order execution and the amount and type of securities to be traded in the account without receiving prior consent.

Item 17. Voting Client Securities

Lighthouse does not and will not accept the proxy authority to vote on behalf of clients. In addition, Lighthouse will not provide advice to clients about how to vote proxies. Clients will receive proxies or other solicitations directly from Pershing or SEI or a transfer agent.

Item 18. Financial Information

Lighthouse does not require nor solicit prepayment of more than fifty percent of the agreed upon financial planning for a client more than six (6) months in advance. Therefore Lighthouse has not included a balance sheet for our most recent fiscal year.

Although Lighthouse does have discretionary authority over clients' accounts, Lighthouse does not have any financial responsibility to disclose financial information that is likely to impair our ability to meet our contractual commitments to our clients. No client accounts are held at Lighthouse under any circumstances. Lighthouse has not been the subject of a bankruptcy petition at any time.

ADV Part 2B Brochure Supplement March 31, 2011

Item 1 This brochure supplement provides information about Supervised Persons of Lighthouse Financial LLC. If you have any questions about the contents of this supplemental brochure, please contact us at (303) 444-1818. Our website is www.lighthousefinancial.biz. Lighthouse Financial LLC is a registered investment adviser with the Securities and Exchange Commission. Registration of an investment adviser does not imply any level of skill or training.

Additional information about Supervised Persons is also available on the SEC's website at www.adviserinfo.sec.gov.

Supervised Persons:

Jack Hinds. 360 Interlocken Blvd. STE 101, Broomfield CO 80021. Telephone 303-444-1818
J. Lynn Hinds. 360 Interlocken Blvd. STE 101, Broomfield CO 80021. Telephone 303-444-1818

Lisa Malick. 360 Interlocken Blvd. STE 101, Broomfield CO 80021. Telephone 303-444-1818
Danielle Howard. 23300 Two rivers Road, Basalt, CO 81621 Telephone 970-027-3909

Item 2: Educational Background and Business Experience

Jack A. Hinds, CLU, ChFC, MSFS - Broomfield, Colorado

Year of Birth: 1946

BS, Business Administration, University of Southern Colorado

2006 - Present: Chief Investment Officer, Lighthouse Financial, LLC

2009 - Present: OSJ Branch Manager, Cambridge Investment Research, Inc.

2006 - 2009: OSJ Branch Manager, Financial Network

2004 - 2006: Retired

J. Lynn Hinds, CRC, QKA - Broomfield, Colorado

Year of Birth: 1950

BA, Psychology / Art, University of Texas

1999 - Present: Managing Partner and Principal, Lighthouse Financial LLC, RIA

2009 - Present: Registered Representative Cambridge Investment Research, Inc.

2009 - Present: Investment Advisor Representative Lighthouse Financial LLC

1990 - 1997: Investment Advisor Supervisor, Financial Network

1998 - 2009: Regional Director, Financial Network

Danielle Howard, CFP, QKA - Basalt, Colorado

Year of Birth: 1961

BS, Business and Marketing, Colorado State University

2009 - Present: Registered Representative Cambridge Investment Research, Inc.

2007 - 2009: Registered Representative, Financial Network

2007 - 2009: Investment Advisor Representative, Financial Network

2007 - Present: Investment Advisor Lighthouse Financial LLC

1993 - Present: Owner, Howard Financial Resources

Lisa Malick, CFP – Broomfield, CO

Year of Birth: 1967

BS, Biology, State University of New York at Geneseo

MS, Marine Science, University of South Florida

Financial Planner Certificate, Boston University

2012 – Present: Registered Representative Cambridge Investment Research, Inc.

2012 – Present: Investment Advisor Representative Cambridge Investment Research, Inc.

2011 – Present: Senior Financial Planner, Lighthouse Financial, LLC

2009 – Present: Financial Planner, Lighthouse Financial, LLC

EXPLANATION OF PROFESSIONAL DESIGNATIONS:

MSFS: Master of Financial Sciences. This advanced degree requires successful completion of studies and passing an examination related specifically to the financial services industry. Such topics include; economics, estate planning, taxation, risk management, investments and insurance related issues.

CLU: Chartered Life Underwriter. This designation requires successful completion of studies and passing an examination related specifically to life, health, disability, long term care insurance vehicles. It also covers areas of estate and business planning as well as charitable giving.

ChFC: Chartered Financial Consultant. This designation requires successful completion of studies and passing an examination related to aspects of financial planning. This includes area of budgeting, goal setting insurance reviews, estate and income tax planning, retirement planning, college funding and charitable planning.

CRC: Certified Retirement Consultant. This designation requires successful completion of studies and passing an examination related to aspects of retirement planning. This includes

areas of retirement funding, social security planning, Medicare planning, long term health care planning, wills and trusts, and other retirement related issues.

CFP: Certified Financial Planner. This designation requires successful completion of studies and passing examinations in areas of financial planning, taxes, insurance, estate planning and retirement. In addition years of experience and ethic requirements are require as part of attaining the certification from the Certified Financial Planner Board of Standards.

QKA: Qualified Kingdom Advisor. This designation requires successful completion of studies and passing examinations in Biblical stewardship, adhering to a Code of Ethics, hold an approved professional designation or a minimum of ten years' experience in a specific professional discipline.

Item 3: Disciplinary Information

Lighthouse has determined that there are no legal or disciplinary events that are material to our Supervised Persons of Lighthouse.

Item 4: Other Business Activities

Lighthouse does not engage in other business activities not related the financial planning and asset management business. A supervised person of Lighthouse may be licensed as an insurance agent and eligible for compensation associated with the sale of various forms of insurance such as life, disability and long term care insurance.

Item 5: Additional Compensation

Lighthouse may receive a small fee from Everbank for certain types of accounts a client may open. This may be in the form of income or small gifts with a value of less than fifty (50) dollars.

Item 6: Supervision

The Chief Compliance Officer, Jack Hinds and Principal, J. Lynn Hinds will conduct periodic testing to ensure that client objectives are being met. Contractual agreements, quarterly performance reports, and financial plans that are delivered to Lighthouse clients are reviewed on an ongoing basis. Mr. Hinds conducts meetings with Supervised Persons to review investment policy changes, asset allocation and security selection, and operational functions of accounts. In addition, the CCO and or his designee review emails, trading, correspondence as well as employees' personal securities transaction and holdings reports.

Person responsible for supervision;
Jack Hinds, Chief Compliance Officer. Telephone 303-444-1818.