



Lighthouse Financial, LLC  
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Firm Brochure – Form ADV Part 2A  
March 12, 2024

### **Item 1 Cover Page Information**

This brochure provides information about the qualifications and business practices of Lighthouse Financial LLC, which you should consider before becoming a client of our firm. If you have any questions about the contents of this brochure, please feel free to contact Steve Wotovich at (727) 490-5797 or [steve@lighthousefinancial.info](mailto:steve@lighthousefinancial.info).

Additional Information about Lighthouse Financial is also available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov). Lighthouse Financial's identifying CRD number is 137277.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, Florida Department of Financial Services, Office of Financial Regulation, or by any state securities authority. Lighthouse Financial is a registered investment advisor but registration does not imply a specific level of skill or training.

### **Item 2 Material Changes**

There are no material changes to report since the last brochure on March 20, 2023.

### **ITEM 3: Table of Contents**

ITEM 1: Cover Page Info.....	1
ITEM 2: Material Changes.....	1
ITEM 3: Table of Contents.....	2
ITEM 4: Advisory Business.....	3
ITEM 5: Fees & Compensation.....	4
ITEM 6: Performance-based Fees.....	5
ITEM 7: Types of Clients.....	5
ITEM 8: Methods of Analysis, Investment Strategies & Risk of Loss.....	5
ITEM 9: Disciplinary Information.....	8
ITEM 10: Other Financial Industry Activities & Affiliations.....	8
ITEM 11: Code of Ethics, Participation in Client Transactions & Personal Trading.....	9
ITEM 12: Brokerage Practices.....	9
ITEM 13: Review of Accounts.....	11
ITEM 14: Client Referrals & Other Compensation.....	11
ITEM 15: Custody.....	11
ITEM 16: Investment Discretion.....	12
ITEM 17: Voting Client Securities.....	12
ITEM 18: Financial Information.....	12
Part 2B: Brochure Supplement for Steven A. Wotovich.....	13

## **Item 4 Advisory Business**

### Description of Advisor Firm

Lighthouse Financial (“The Firm”) is a limited liability company organized in the State of Florida. The firm has been registered with the State of Florida, Florida Department of Financial Services, Office of Financial Regulation as an investment adviser since June 2008 and the securities and exchange commission since June 2023. Steven A. Wotovich is the Principal and President of Lighthouse Financial and any Investment Adviser Representatives (“IARs”) who provide investment advisory services for us are appropriately licensed, qualified and authorized to provide services on behalf of the firm.

### Types of Advisory Services

#### Asset Management

The mission of Lighthouse Financial is to preserve and grow client assets by investing in a combination of stocks, bonds, mutual funds and exchange traded funds. We monitor the portfolios and provide ongoing investment management and financial planning guidance. The investment process begins with a written financial plan, and an Investment policy statement detailing the new clients’ goals, risk tolerance and primary objectives. The portfolios are reviewed daily and each asset management client receives a written portfolio update with performance reports every three months. It is our goal to review a clients’ financial plan and Investment Policy Statement annually for any material changes. To remain focused on our client’s financial needs the minimum asset requirement for Asset Management Supervisory services is \$500,000, but this requirement may be waived in some circumstances. Lighthouse Financial may request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction.

#### Advisory/Consulting Services

Lighthouse Financial offers hourly consulting and financial planning services that may include, but are not limited to, financial plans, portfolio reviews, and investment analysis. These services may be “one time only” or periodic engagements depending on what you want but in no circumstances do they include management of any of your investments. Under this arrangement, you are free to implement our advice with any broker of your choice. There is no minimum asset requirement for one-time consulting services and clients are billed an hourly fee of \$120.

#### Client Tailored Services or Client Imposed Restrictions

All of our services are tailored to clients’ needs, based on our assessment of your needs, goals, risk tolerances, time horizon. These goals and objectives are detailed in each advisory client’s investment policy statement and guided by a financial plan. The plan and policy statement will be based on your current investments, financial condition, tax rate and your investment experience. We will recommend a portfolio strategy and investments suited to your goals and based on current market conditions.

Clients may impose restrictions in investing in certain securities, types of securities or broad industries in accordance with their values and beliefs. However, if the restrictions prevent Lighthouse Financial from serving the clients' needs or if the restrictions would put an undue burden on the firm, Lighthouse Financial reserves the right to end the relationship.

#### Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses and any administrative fees. Lighthouse Financial does not participate in any wrap fee programs.

#### Client Assets

Lighthouse Financial has the following assets under management.

Discretionary Amounts:	Non-Discretionary Amounts:	Date Calculated:
\$134,650,794	\$355,539,377	12/31/2023

### Item 5 Fees and Compensation

#### Investment Supervisory Service Fees for Individual Equities

Total Assets under Management	Annual Fee
First \$1,000,000	0.95%
Next \$4,000,000	0.75%
Over \$5,000,000	0.50%

Mutual Funds and Exchange Traded Funds are charged a discounted annual rate of 0.4% and individual bond investments incur a reduced annual fee of 0.20%. There is no charge for cash assets held within an account. Fees are prorated, if an investor is not a client for the full quarter.

#### Consulting Fees

Fees associated with consulting services may be based on an hourly rate of \$120 per hour. Full service investment advisory clients are not subject to any hourly fees. This hourly consulting option is not subject to the minimum asset requirement of \$500,000.

#### Payment of Fees

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are billed and paid at the conclusion of each quarter.

Advisory fees may be invoiced and billed directly to the client with payments due quarterly. Clients may select the method in which they are billed. Fees are negotiable at the sole discretion of the Advisor.

Clients are responsible for Third Party Fees

Clients are responsible for the payment of all third party fees like brokerage fees, custodial charges, mutual fund funds, and transaction expenses. These fees are separate from the fees charged by Lighthouse Financial.

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

Lighthouse Financial does not charge performance-based fees.

## **Item 7      *Types of Clients***

Lighthouse Financial generally provides Investment Advisory Services to the following types of clients

- Individuals
- High Net Worth Individuals
- Trusts and Estates
- Corporations
- Non-Profit Foundations

Minimum Account Size

There is an account minimum of \$500,000, which may be waived by the firm.

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

### **A.    Methods of Analysis**

Lighthouse Financials principal method of analysis is fundamental analysis. Fundamental analysis involves a review of financial statements, the general financial health and prognosis of a company or industries and a review of competitive advantages. The firm also works to diversify a client account across multiple industries and assets class to maximize a client's return given their level of risk.

## B. Investment Strategies

Lighthouse Financial adheres to long-term trading strategies, rather than short term trading. To accomplish a client's goals, Lighthouse Financial may invest in stocks, bonds, mutual funds, CD's, Options, and Exchange traded funds. The chosen investments are based on a client's personalized financial plans, goals and risk tolerance.

## C. Material Risks Involved

Investing in any security involves the risk or loss that you, as a client, should be prepared to bear. While Lighthouse Financial makes every effort to tailor your portfolio to meet, your financial goals and risk tolerance, the risk of loss is an inherent part of the investment process. Some of the risks you may incur as an investor are default, stock market risk, interest rate risk, currency, and political risks. Below is an overview of the types of products available on the market and the associated risks of each:

Common Stocks. Investments in common stocks, both directly and indirectly through investment in shares of ETFs, may fluctuate in value in response to many factors, including, but not limited to, the activities of the individual companies, general market and economic conditions, interest rates, and specific industry changes. Such price fluctuations subject certain strategies to potential losses. During temporary or extended bear markets, the value of common stocks will decline, which could also result in losses for each strategy.

Model Risk. Financial and economic data series are subject to regime shifts, meaning past information may lack value under future market conditions. Models are based upon assumptions that may prove invalid or incorrect under many market environments. We may use certain model outputs to help identify market opportunities and/or to make certain asset allocation decisions. There is no guarantee any model will work under all market conditions. For this reason, we include model related results as part of our investment decision process but we often weigh professional judgment more heavily in making trades or asset allocations.

ETF Risks, including Net Asset Valuations and Tracking Error. An ETF's performance may not exactly match the performance of the index or market benchmark that the ETF is designed to track because 1) the ETF will incur expenses and transaction costs not incurred by any applicable index or market benchmark; 2) certain securities comprising the index or market benchmark tracked by the ETF may, from time to time, temporarily be unavailable; and 3) supply and demand in the market for either the ETF and/or for the securities held by the ETF may cause the ETF shares to trade at a premium or discount to the actual net asset value of the securities owned by the ETF. Certain ETF strategies may from time to time include the purchase of fixed income, commodities, foreign securities, American Depositary Receipts, or other securities for which expenses and commission rates could be higher than normally charged for exchange-traded equity securities, and for which market quotations or valuation may be limited or inaccurate.

Clients should be aware that to the extent they invest in ETF securities they will pay two levels of advisory compensation – advisory fees charged by Adviser plus any advisory fees charged by the issuer of the ETF. This scenario may cause a higher advisory cost (and potentially lower investment returns) than if a Client purchased the ETF directly. An ETF typically includes embedded expenses that may reduce the ETF's net asset value, and therefore directly affect the ETF's performance and indirectly affect a Client's portfolio performance or an index benchmark comparison. Expenses of the ETF may include investment advisor management fees, custodian fees, brokerage commissions, and legal and accounting fees. ETF expenses may change from time to time at the sole discretion of the ETF issuer. ETF tracking error and expenses may vary.

Options and other derivatives. Options carry many unique risks, including time-sensitivity, and can result in the complete loss of principal. While covered call writing does provide a partial hedge to the stock against which the call is written, the hedge is limited to the amount of cash flow received when writing the option. When selling covered calls, there is a risk the underlying position may be called away at a price lower than the current market price.

Inflation, Currency, and Interest Rate Risks. Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of an investor's future interest payments and principal. Inflation also generally leads to higher interest rates, which in turn may cause the value of many types of fixed income investments to decline. In addition, the relative value of the U.S. dollar-denominated assets primarily managed by Adviser may be affected by the risk that currency devaluations affect Client purchasing power.

Liquidity Risk. Liquidity is the ability to readily convert an investment into cash to prevent a loss, realize an anticipated profit, or otherwise transfer funds out of the particular investment. Generally, investments are more liquid if the investment has an established market of purchasers and sellers, such as a stock or bond listed on a national securities exchange. Conversely, investments that do not have an established market of purchasers and sellers may be considered illiquid. Your investment in illiquid investments may be for an indefinite time, because of the lack of purchasers willing to convert your investment to cash or other assets.

Legislative and Tax Risk. Performance may directly or indirectly be affected by government legislation or regulation, which may include, but is not limited to: changes in investment advisor or securities trading regulation; change in the U.S. government's guarantee of ultimate payment of principal and interest on certain government securities; and changes in the tax code that could affect interest income, income characterization and/or tax reporting obligations, particularly for options, swaps, master limited partnerships, Real Estate Investment Trust, Exchange Traded Products/Funds/Securities. We do not engage in tax planning, and in certain circumstances a Client may incur taxable income on their investments without a cash distribution to pay the tax due. Clients and their personal tax advisors are responsible for how the transactions in their account are reported to the IRS or any other taxing authority.

Information Security Risk. We may be susceptible to risks to the confidentiality and security of its operations and proprietary and customer information. Information risks, including theft or corruption of electronically stored data, denial of service attacks on our website or websites of our third-party service providers, and the unauthorized release of confidential information are a few of the more common risks faced by us and other investment advisers. Data security breaches of our electronic data infrastructure could have the effect of disrupting our operations and compromising our customers' confidential and personally identifiable information. Such breaches could result in an inability of us to conduct business, potential losses, including identity theft and theft of investment funds from customers, and other adverse consequences to customers. We have taken and will continue to take steps to detect and limit the risks associated with these threats.

Tax Risks. Tax laws and regulations applicable to an account with Adviser may be subject to change and unanticipated tax liabilities may be incurred by an investor as a result of such changes. In addition, customers may experience adverse tax consequences from the early assignment of options purchased for a customer's account. Customers should consult their own tax advisers and counsel to determine the potential tax-related consequences of investing.

Advisory Risk. There is no guarantee that our judgment or investment decisions on behalf of particular any account will necessarily produce the intended results. Our judgment may prove to be incorrect, and an account might not achieve her investment objectives. In addition, it is possible that we may experience computer equipment failure, loss of internet access, viruses, or other events that may impair access to accounts' custodians' software. Adviser and its representatives are not responsible to any account for losses unless caused by Adviser breaching our fiduciary duty.

Dependence on Key Employees. An accounts success depends, in part, upon the ability of our key professionals to achieve the targeted investment goals. The loss of any of these key personnel could adversely impact the ability to achieve such investment goals and objectives of the account.

## **Item 9      Disciplinary Information**

There are no disciplinary actions to report against the firm or its principals.

## **Item 10    Other Financial Industry Activities and Affiliations**

Neither Lighthouse Financial nor its employers are registered as or have pending applications to become a broker dealer or a Futures Commission Merchant. The firm also does not select any



other managers or third parties or have any material conflicts of interest to report with our registration.

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

### **A. Code of Ethics**

A copy of Lighthouse Financial is available free upon request from any client or prospective client. This code of ethics covers but is not limited to Insider Trading, Conflicts of Interest, Confidentiality, and Compliance. All employees are required to act within the standards of the firm's code of ethics and with all federal and state regulations governing registered investment advisory practices. Given that the firm's principal owner is both a Certified Financial planner and Chartered Financial analyst, the company also adheres to the published code of ethics provided by the CFP board and the CFA Institute.

### **B. Recommendations involving Material Financial Interest**

Lighthouse Financial does not hold material financial interest in any of the securities held in your account.

### **C. Invest in the Same Securities recommend to Clients**

Employees of Lighthouse Financial may buy or sell securities for themselves that they also recommend to clients. It may seem intuitive that employees of Lighthouse Financial would want to also purchase securities that are being recommended to clients, but this may present a potential conflict of interest. Lighthouse will always document any transactions that could be construed as a conflict of interest and will always transact client business before employee transactions when similar securities are being bought or sold.

## **Item 12      Brokerage Practices**

### **Factors Used to Select Broker-Dealers**

Lighthouse Financial has a duty to select brokers, dealers and other trading venues that provide best execution for clients. The duty of best execution requires an investment adviser to seek to execute securities transactions for clients in such a manner that the client's total cost or proceeds in each transaction is the most favorable under the circumstances, taking into account all relevant factors. The lowest possible commission, while very important, is not the only consideration. The broker dealer Lighthouse Financial currently utilizes is Charles Schwab & Co.

It is the policy of the Firm to seek best execution in all portfolio trading activities for all investment disciplines and products, regardless of whether commissions are charged. The standards and procedures governing best execution are set forth in several written policies. Generally, when evaluating best execution Lighthouse Financial considers the following factors in selecting broker dealers:

- Execution capability;
- Reputation and integrity;
- Responsiveness;
- Confidentiality

- Competitiveness of transaction fees
- Recordkeeping;
- Quality and accuracy of statements
- Available technology
- Financial responsibility of the broker-dealer;
- Quality of research received from the broker dealer;

### **Research and Other Soft Dollar Benefits**

We typically recommend Charles Schwab & Co. (“Schwab”), a registered broker-dealer, member SIPC, as the qualified custodian. Lighthouse Financial is independently owned and operated and is not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab as a custodian, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We do not open an account for you, although we may assist you in doing so.

### **Products and services available to the Firm from Schwab**

Schwab Advisor Services is Schwab's business serving independent investment advisory firms like us. Schwab provides Lighthouse Financial and our clients with access to institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients’ accounts while others help us manage and grow our business. Schwab’s support services are generally available on an unsolicited basis (i.e., we do not have to request them) and at no charge to us. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of the Firm’s fees from client accounts; and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of the Advisor's accounts, including accounts not maintained at Schwab. Schwab also makes available to the Advisor other services intended to help the Advisor manage and further develop its business. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services rendered to the Advisor by independent third parties. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to the Advisor.

### **Our Interest in Schwab’s Services**

The availability of the services described above from Schwab benefits us because we do not have to produce or purchase them. They are not contingent upon Lighthouse Financial committing any specific amount of business to Schwab in assets in custody. The fact that we receive these benefits from Schwab is an incentive for us to recommend the use of Schwab rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that taken in the aggregate our recommendation of Schwab as a custodian and broker is

in the best interest of our clients. Our selection is primarily supported by the scope, quality and price of Schwab's services, and not Schwab's services that benefit only us. Lighthouse Financial receipt of Additional Services does not diminish our duty to act in the best interests of our clients, including seeking best execution of trades for client accounts.

### **Block Trading for Multiple Client Accounts**

Lighthouse Financial maintains the ability to block trade securities transactions across multiple accounts at Schwab. A block trade is securities transaction where multiple clients may buy or sell a security at the same time, thereby receiving the same transaction price and possibly lowering the transaction cost for all parties involved.

### **Item 13    Review of Accounts**

Client portfolios are reviewed daily and each asset management client receives a written portfolio update with performance reports every three months. It is our goal to review a clients' financial plan and Investment Policy Statement annually for any material changes.

Clients will also receive monthly statements and confirmations of all transactions within your account from Schwab or an alternative custodian selected by the client.

Additional reviews may be triggered by market, economic, political events, or material changes to a client's financial situation.

### **Item 14    *Client Referrals and Other Compensation***

Lighthouse Financial does not receive any compensation for third parties, and the firm does not pay anyone for client referrals.

### **Item 15    *Custody***

Lighthouse Financial may recommend a custodian for a client account, but the firm will not accept direct custody of any client assets. Lighthouse Financial, with a client's written authority, has limited constructive custody of client assets via the direct fee deduction of quarterly advisory fees. With the direct fee deduction option, clients will receive all required statements and invoices prior to any fee deduction.

**Item 16 Investment Discretion**

Lighthouse Financial maintains discretionary authority of a client's account as detailed in the written client contract which is signed by all advisory clients. Investment discretion implies that our firm will select securities and execute transactions without permission from the client prior to each transaction. The authority is granted via a limited power of attorney in the Investment Advisory Contract and in the contract between the client and custodian. A client may waive the right to investment discretion, but it is generally not recommended by our firm.

**Item 17 Voting *Client* Securities**

When requested by the client, Lighthouse Financial will accept voting authority for client securities. Our firm will vote the corporate proxies with each client's best interests in mind.

**Item 18 Financial Information**

Lighthouse Financial does not charge fees in advance, so the firm is not required to include a balance sheet with this brochure. Neither Lighthouse Financial nor its owners have any financial conditions that would impair our ability to serve clients or meet contractual commitments.

**Part 2B of Form ADV: *Brochure Supplement***



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Steven A. Wotovich, President  
Investment Advisor Representative

**Item 1 Cover Page Information**

This brochure supplement provides information about Steven A. Wotovich that supplements the Lighthouse Financial LLC brochure. You should have received a copy of that brochure. Please contact Steve Wotovich at 727-490-5797 if you did not receive Lighthouse Financials LLC's brochure or if you have any questions about the contents of this supplement.

Additional Information about Steven A. Wotovich is also available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

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

**Name: Steven A Wotovich**

**Born: June 30, 1973**

### **Educational Background**

- Cum Laude graduate from Harvard University (AB 1995, Economics)
- Earned the Chartered Financial Analyst designation in 2001
- Earned the Certified Financial Planner designation in 2005

### **Business Background**

Steve Wotovich has more than 27 years of experience in the financial services industry

- 19 years as President and Portfolio Manager of Lighthouse Financial
- 6 years in Citigroup's Global Securities Services Division. Worked initially in mutual fund accounting, and became a business consultant
- 2 years' experience with mutual fund company T. Rowe Price in the small business retirement plans department.

## **Item 3 Disciplinary Information**

There are no legal or disciplinary events that are material to report to a client's or prospective client's evaluation of Lighthouse Financial.

## **Item 4 Other Business Activities**

Steven A. Wotovich owns and maintains real estate rental properties. This real estate activity causes no conflicts of interest with the clients of Lighthouse Financial.

## **Item 5 Additional Compensation**

Steven A. Wotovich does not receive an economic benefit, bonus, or compensation from any company, or organization in exchange for providing clients advisory services through Lighthouse Financial.

## **Item 6 Supervision**

Steven A. Wotovich supervises all duties and activities of Lighthouse Financial LLC, as the president and owner of the firm.