

**Lighthouse Financial Advisors, Inc.
dba Lighthouse Wealth Management**

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**FORM ADV PART 2A
BROCHURE**

This brochure provides information about the qualifications and business practices of Lighthouse Financial Advisors, Inc. dba Lighthouse Wealth Management. If you have any questions about the contents of this brochure, please contact us at (301) 865-9740. 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 Lighthouse Wealth Management is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Lighthouse Wealth Management is 118060.

Lighthouse Wealth Management is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2 Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes. The following summary describes changes to our brochure since our annual updating amendment filed with regulators on January 28, 2014.

Certain Associated Persons providing investment advice on behalf of our firm who were previously registered Representatives with Mid Atlantic Capital Corporation (Mid Atlantic) are no longer registered with Mid Atlantic. Therefore, disclosures related to Mid Atlantic have been removed from our disclosure brochure. However, we have updated our disclosure brochure to reflect their subsequent registrations with First Allied Securities, Inc. (First Allied), a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In their capacities as registered representatives, these persons will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by these persons in their capacities as registered representatives is separate and in addition to our advisory fees. This practice may present a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than based solely on your needs. However, you are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm.

When suggesting a broker, associated persons of our firm that are registered representatives of First Allied will generally recommend First Allied. There is no requirement that you use such broker as recommended. However, this might prohibit the associated person from working with you as described more fully below.

Associated persons who are registered representatives of First Allied are subject to FINRA, formerly NASD, conduct Rule 3040. The Rule requires registered individuals to conform to First Allied's supervisory requirements when conducting securities transactions away from First Allied.

We routinely recommend that you direct our firm to execute transactions through First Allied or Schwab. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

Persons providing investment advice on behalf of our firm who are registered representatives of First Allied may recommend First Allied to you for certain securities transactions/brokerage services. These individuals are subject to applicable rules that restrict them from conducting certain securities transactions away from First Allied unless First Allied provides the representative with written authorization to do so. Therefore, these individuals are generally limited to conducting certain securities transactions through First Allied. It may be the case that First Allied charges higher transactions costs and/or custodial fees than another broker charges for the same types of services. If transactions are executed through First Allied, these individuals (in their separate capacities as registered representatives of First Allied) may earn commission-based compensation as result of placing the recommended securities transactions through First Allied. This practice presents a conflict of interest because these registered representatives might have an incentive to effect securities transactions for the purpose of generating commissions rather than based solely on your needs. You may utilize the broker-dealer of your choice and have no obligation to purchase or sell securities

through such broker as, we recommend. Please see the "Fees and Compensation" section in this brochure for more information on the compensation received by registered representatives who are affiliated with our firm.

Additionally, certain owners of our firm have purchased a tax and accounting practice, Lighthouse Tax & Business Consulting, Inc. (LTBC), which is located in McLean, Virginia. As such, tax services and/or estate planning services will be provided through other professionals engaged by us at no additional charged to COMPASS participants. As such, we will cover the costs of certain tax related services and/or legal services for basic wills, power of attorneys, etc. related to financial and/or estate planning. We are affiliated with Lighthouse Tax Services, LLC (LTS) and Lighthouse Tax & Business Consulting, Inc. (LTBC) through common control and ownership. We will contract directly with LTS, LTBC, or third party professionals for tax related or legal services for COMPASS participants. In some cases, LTS may outsource or we may refer clients in need of specialized tax or accounting services to other CPAs, including those associated with LTBC.

Ed Kozlowski will primarily provide tax preparation services through LTS. In some cases, LTS may outsource specialized tax or accounting services to other tax and accounting firms, including our affiliated firm, LTBC. Fees charged by our affiliated entities are separate and distinct from advisory fees charged by our firm for advisory services. It is expected that you may become a client of LTS and/or LTBC and vice versa, but you are under no obligation to use the services of our firm, LTS, LTBC, or of their associated persons. We will contract directly with LTS, LTBC, or third party professionals for tax related and/or legal services for COMPASS participants.

We directly compensate individuals and/or entities (Solicitors) for client referrals. Certain Solicitors (individuals or entities) might be affiliated with, contracted by, or employed by LTS, a tax firm and/or Lighthouse Tax & Business Consulting, Inc. (LTBC) a tax and accounting firm. Both LTS and LTBC are affiliated with our firm through common control and ownership. In order to receive a cash referral fee from our firm, Solicitors must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a Solicitor, you should have received a copy of this brochure along with the Solicitor's disclosure statement at the time of the referral. If you become a client, the Solicitor that referred you to our firm will receive a percentage of the advisory fee you pay our firm for as long as you are a client with our firm, or until such time as our agreement with the Solicitor expires. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon your entering into an advisory agreement with our firm. Therefore, a Solicitor has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

If you have questions or would like a copy of our most recent brochure, you can request one free of charge at anytime by contacting us at (301) 865-9740 or 164 W. Main Street, Suite F, New Market, Maryland 21774. You can also visit our website at www.lighthousewlth.com.

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Item 4 Advisory Business

Lighthouse Financial Advisors, Inc. dba Lighthouse Wealth Management is a registered investment adviser based in New Market, Maryland. We are organized as a sub Chapter-S corporation under the laws of the State of Maryland. We have been providing investment advisory services since 2000. Thomas Michael Kozlowski, President and Andrew Paul Wilson, Vice President are our principal owners. Edward. S. Kozlowski is our Treasurer and Chief Compliance Officer, and Henry L. Becker, Jr. is our Secretary.

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we," "our" and "us" refer to Lighthouse Financial Advisors, Inc and the words "you," "your" and "client" refer to you as either a client or prospective client of our firm. In addition, you may see the term Associated Person throughout this brochure. As used in this brochure, our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

We offer personalized investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities. We engage in broad-based financial planning, cash flow planning, estate planning, insurance planning, divorce planning, college planning, and compensation and benefits planning, among others. The combination of study, industry experience, and comprehensive research allows our firm to provide quality advisory services to our clients. Currently, we offer the following investment advisory services, which are personalized to each individual client.

Financial Planning and Consulting Services

We offer broad-based, consultative financial planning services. Financial planning will typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. If you retain our firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. Once we specify those long-term objectives (both financial and non-financial), we will develop shorter-term, targeted objectives. Once we review and analyze the information you provide to our firm, we will deliver a written plan to you, designed to help you achieve your stated financial goals and objectives.

You may only require advice on a single aspect of the management of your financial resources; therefore, we offer financial plans in a defined format and/or general consulting services that address only those specific areas of interest or concern, depending on your unique circumstances.

Financial planning advice may be rendered in the areas of business planning, retirement planning, financial planning, cash flow planning, estate planning, insurance planning, divorce planning, college planning, and compensation and benefits planning, among others. Lighthouse Financial Advisors, Inc. dba Lighthouse Wealth Management will not provide legal or accounting advice. It is recommended that you consult an attorney, accountant, or tax adviser for legal or tax advice.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information, you provide to our firm. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

We utilize the following financial planning/consulting fee schedule:

- **Fixed Fees:** Fixed fees for financial planning generally range between \$500.00 and \$5,000.00 depending on the scope and complexity of the contracted services.
- **Hourly Fees:** Typically, we charge an hourly fee of \$125.00 to \$325.00 depending on the scope and complexity of the contracted services.

When the scope of the financial planning services has been agreed upon, a determination will be made as to applicable fee, and an estimate will be provided to you. The final fee, subject to negotiation, is directly dependent upon the facts and circumstances of your financial situation and the complexity of the financial plan or services requested.

For financial planning and hourly consulting services, a good faith deposit may be required while the balance will be invoiced and payable upon completion of the services and/or presentation of the written plan, if applicable. Under no circumstance will the Firm require payment more than six months in advance in excess of \$1,200.

However, at our discretion, other fees and fee payment arrangements may be negotiated. If you choose to implement the financial plan through us, the financial planning fees may be offset by asset management fees and there will be no additional charge for normal planning services over and above the asset management fee. Extraordinary research or analysis may involve additional costs, which will be negotiated on an individual basis prior to beginning such work. The fees and terms of the financial planning services will be clearly set forth in the Client agreement executed between you and our firm. In limited circumstances, the time/cost could potentially exceed the initial estimate. In such cases, we will notify you and may request that you pay an additional fee.

You may terminate the financial planning agreement by providing written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement.

Asset Management Services

We offer asset management services whereby we manage your account for a single fee that includes both management services and the transaction/commission costs. This service is designed to assist our clients, including individuals, trusts, estates, charitable organizations, and corporations, to clarify their investment needs and to obtain professional asset management for a convenient single "wrap fee."

We offer discretionary and non-discretionary asset management services. Our investment advice is tailored to meet our clients' needs and investment objectives. Subject to any written guidelines that you may provide, we will be granted discretionary authority to manage your account. Discretionary authorization will allow our firm to determine the specific securities and the amount of securities to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a power of attorney, or trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account.

The account is managed to diversify your investments and may include, but is not limited to, stocks, bonds, options, mutual funds, and money market instruments. Investments and allocations are determined based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, and other various factors. Accounts are managed on an individualized basis. Further restrictions and guidelines imposed by you may affect the composition and performance of your portfolios. For these reasons, performance of your portfolios may not be identical with that of an average client of our firm. On an ongoing basis, we review your financial circumstances and investment objectives and adjust your portfolios as may be necessary to achieve the desired results.

The fee charged to the account is negotiable and is set forth in the agreement for services (Agreement). Upon entering into the Agreement, you will open a brokerage account with an independent and unaffiliated brokerage firm, such as Charles Schwab Institutional Services, a division of Charles Schwab and Co., Inc. member FINRA/SIPC ("Schwab"), among others. The brokerage firm provides you with securities custody and execution services. On an annualized basis, our fees for asset management services, subject to negotiation, are as follows:

Asset Value	Annualized Fee**
\$1 to \$2,000,000	1.25 %
\$2,000,001 to \$ 4,000,000	1.00%
\$4,000,001 to \$6,000,000	0.50%
\$6,000,001 and above	0.25%

In certain circumstances and at our sole discretion, a flat fee may be negotiated for asset management services. We generally require a minimum of \$500,000 per household to open and maintain a management account. Accounts may be subject to a \$2,500 minimum annual fee. **Existing clients may have contracted for services under a different fee schedule.

Our annual asset management fee is billed and payable quarterly in advance based on the value of your account on the last day of the previous quarter. If the asset management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances. A portion of the fee is paid to Schwab for commission and/or transactions costs.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

We will send you an invoice for the payment of our advisory fee, or we will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

You may terminate the asset management agreement upon 30-days' written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the asset management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

We encourage you to review the statements you receive from the qualified custodian. If you have questions about your statements, or if you did not receive a statement from the qualified custodian, please call our office number located on the cover page of this brochure.

COMPASS Program

COMPASS is our holistic wealth management program for individuals with at least \$500,000 in investable assets. COMPASS integrates the asset management services described above, as well as financial and tax planning, annual tax preparation and preparation of estate planning documents, with the all-inclusive asset management fee covering all services.

Tax services and/or estate planning services will be provided through other professionals engaged by us at no additional charge to COMPASS participants. As such, we will cover the costs of certain tax related services and/or legal services for basic wills, power of attorneys, etc. related to financial and/or estate planning. We are affiliated with Lighthouse Tax Services, LLC (LTS) and Lighthouse Tax & Business Consulting, Inc. (LTBC) through common control and ownership. We will contract directly with LTS, LTBC, or third party professionals for tax related or legal services for COMPASS participants. In some cases, LTS may outsource or we may refer clients in need of specialized tax or accounting services to other CPAs, including those associated with LTBC.

Pension Consulting Services

We offer pension consulting services to employee benefit plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services may include an existing plan review and analysis, plan-level advice regarding fund selection and investment options, education services to plan participants, investment performance monitoring, and/or ongoing consulting. These pension consulting services will generally be non-discretionary and advisory in nature. The ultimate decision to act on behalf of the plan shall remain with the plan sponsor or other named fiduciary.

We may also assist with participant enrollment meetings and provide investment-related educational seminars to plan participants on such topics as:

- Diversification
- Asset allocation
- Risk tolerance
- Time horizon

Our educational seminars may include other investment-related topics specific to the particular plan.

We may also provide additional types of pension consulting services to plans on an individually negotiated basis. All services, whether discussed above or customized for the plan based upon requirements from the plan fiduciaries (which may include additional plan-level or participant-level services) shall be detailed in a written agreement and be consistent with the parameters set forth in the plan documents.

Our advisory fees for these customized services will be negotiated with the plan sponsor or named fiduciary on a case-by-case basis.

Typically, the fee will be billed and payable quarterly in advance based on the value of the plan assets on the last day of the previous quarter. If the services agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which the plan is a client.

We will either send an invoice to the responsible party, or the fees will be paid to us directly by the custodian holding the funds and securities and/or the vendor administering the plan.

Either party to the agreement may terminate the agreement upon 30-days' written notice to the other party. The pension consulting fees will be prorated for the quarter in which the termination notice is given and any unearned fees will be refunded to the client.

Types of Investments

We primarily offer advice on mutual funds; however, we may also offer advice on equity securities, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, US Government securities, options contracts on securities, and interests in partnerships investing in real estate and oil and gas.

Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolios at the inception of our advisory relationship.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

In general, we manage wrap fee accounts on a discretionary basis based on a long-term investment strategy. If you participate in our wrap fee program, we will provide you with a separate Wrap Fee Program Brochure explaining the program and costs associated with the program.

Assets Under Management

As of January 24, 2014, we manage \$190,651,385 in client assets on a discretionary basis, and \$10,533,601 in client assets on a non-discretionary basis. We also provide advice to pension plans in excess of \$187,000,000 for which we are not responsible for implementing the investment advice provided.

Item 5 Fees and Compensation

Please refer to the "Advisory Business" section in this brochure for information on our advisory fees, fee deduction arrangements, and refund policy according to each service we offer.

Additional Fees and Expenses

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You may also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or

custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the "Brokerage Practices" section of this brochure.

Compensation for the Sale of Securities or Other Investment Products

Certain Associated Persons providing investment advice on behalf of our firm are registered representatives with First Allied Securities, Inc. (First Allied), a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In their capacities as registered representatives, these persons will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by these persons in their capacities as registered representatives is separate and in addition to our advisory fees. This practice may present a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than based solely on your needs. However, you are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm.

We may recommend that you purchase variable annuities to be included in your investment portfolios. Persons providing investment advice on behalf of our firm may earn commissions on the sale of the variable annuities in their capacities as registered representatives of First Allied. If these persons earn commissions on the sale of variable annuities recommended to you, we will not include the annuity accounts in the total value used for our advisory billing/fee computation. We will include the value of the annuity for breakpoint purposes that may reduce your fees. Annuities will be purchased for your account only after you receive a prospectus disclosing the terms of the annuity. You are under no obligation, contractually or otherwise, to purchase variable annuities through any person affiliated with our firm.

Certain Associated Persons providing investment advice on behalf of our firm may be licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice may present a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than based solely on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

At our discretion, we may offset our advisory fees to the extent our Associated Persons earn commissions in their separate capacities as registered representatives and/or insurance agents.

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

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in the *Advisory Business* section above, and are not charged based on a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

Item 7 Types of Clients

We offer investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

For asset management services, we generally require a minimum account size of \$500,000 per household and/or a minimum annual fee of \$2,500.

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

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

- **Fundamental Analysis** - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.
- **Technical Analysis** - involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.
- **Long Term Purchases** - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- **Short Term Purchases** - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various factors. Your restrictions and guidelines may affect the composition of your portfolios.

Risks of Methods of Analysis

Technical Analysis - The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Fundamental Analysis - The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

We may use short-term trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your accounts. Short-term trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk.

We may use investment strategies that involve buying and selling securities frequently in an effort to capture significant market gains and avoid significant losses during a volatile market. However, frequent trading can negatively affect investment performance, particularly through increased brokerage and other transactional costs and taxes.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Recommendation of Particular Types of Securities

As disclosed under the "Advisory Business" section in this Brochure, we primarily recommend mutual funds; however, we may recommend other types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

Mutual funds and exchange traded funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. Exchange traded funds differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. In addition, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end." So-called "open end" mutual funds continue to allow in new investors indefinitely, which can dilute other investors' interests. We primarily recommend no-load funds.

Item 9 Disciplinary Information

Lighthouse Wealth Management has been registered and providing investment advisory services since 2000. Neither our firm nor any of our Associated Persons has any reportable disciplinary information.

Item 10 Other Financial Industry Activities and Affiliations**Registrations with Broker-Dealer**

Certain Associated Persons providing investment advice on behalf of our firm are registered representatives of First Allied, a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation.

Insurance

Certain Associated Persons providing investment advice on behalf of our firm may be licensed as insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate from our advisory fees.

Please see the "Fees and Compensation" section in this brochure for more information on the compensation received by registered representatives and insurance agents who are affiliated with our firm.

Tax and Accounting Services

We are affiliated with Lighthouse Tax Services, LLC (LTS) and Lighthouse Tax & Business Consulting, Inc. (LTBC) through common control and ownership. Ed Kozlowski will primarily provide tax preparation services through LTS. In some cases, LTS may outsource specialized tax or accounting services to other tax and accounting firms, including our affiliated firm, LTBC. Fees charged by our affiliated entities are separate and distinct from advisory fees charged by our firm for advisory services. It is expected that you may become a client of LTS and/or LTBC and vice versa, but you are under no obligation to use the services of our firm, LTS, LTBC, or of their associated persons.

As described above at Item 4 in the Advisory Business section, we will contract directly with LTS, LTBC, or third party professionals for tax related and/or legal services for COMPASS participants.

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

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

Participation or Interest in Client Transactions

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond providing investment advisory services as disclosed in this brochure.

Personal Trading Practices

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. We may also combine our orders to purchase securities with your orders to purchase securities ("block trading"). Please refer to the *Brokerage Practices* section in this brochure for information on our block trading practices. However, the foregoing policy does not apply to investments in:

- (i) direct obligations of the Government of the United States;
- (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements;
- (iii) shares issued by mutual funds or money market funds; and,

(iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Although clients and we are invested primarily in mutual funds, a potential conflict of interest exists in such cases where we could have the ability to trade other types of securities, such as exchange traded funds or other equities, ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of such securities.

Item 12 Brokerage Practices

When suggesting a broker, associated persons of our firm that are registered representatives of First Allied will generally recommend First Allied. There is no requirement that you use such broker as recommended. However, this might prohibit the associated person from working with you as described more fully below.

Associated persons who are registered representatives of First Allied are subject to FINRA, formerly NASD, conduct Rule 3040. The Rule requires registered individuals to conform to First Allied's supervisory requirements when conducting securities transactions away from First Allied.

The Custodian and Brokers We Use

We do not maintain custody of your assets that we manage, although we may be deemed to have limited custody of your assets if you give us authority to withdraw assets from your account. Your assets must be maintained in an account at a "qualified custodian," generally a broker/dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account, and will buy and sell securities when you or we instruct them to. While we recommend that you use Schwab as custodian/broker, 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 the account for you, although we may assist you in doing so. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below (see "*Your Brokerage and Custody Costs*").

How We Select Brokers/Custodians

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to us and our other clients

- Availability of other products and services that benefit us, as discussed below (see "*Products and Services Available to Us From Schwab*")

Your Brokerage and Custody Costs

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services, but it is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. For some accounts, Schwab may charge you a percentage of the dollar amount of assets in the account in lieu of commissions. Schwab's commission rates applicable to our client accounts were negotiated based on the condition that our clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. This commitment benefits you because the overall commission rates you pay are lower than they would be otherwise. In addition to commissions Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "*How We Select Brokers/Custodians*").

Products and Services Available to Us From Schwab

Schwab Advisor Services™ (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. They provide our clients and us with access to its 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 generally are available on an unsolicited basis (we don't have to request them) and at no charge to us as long as our clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. If our clients collectively have less than \$10 million in assets at Schwab, Schwab may charge us quarterly service fees of \$1,200. Following is a more detailed description of Schwab's support services.

Services That Benefit You

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Services That May Not Directly Benefit You

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data

- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

Services That Generally Benefit Only Us

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

Our Interest in Schwab's Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We do not have to pay for Schwab's services so long as our clients collectively keep a total of at least \$10 million of their assets in accounts at Schwab. Beyond that, these services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The \$10 million minimum may give us an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "*How We Select Brokers/Custodians*") and not Schwab's services that benefit only us.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Directed Brokerage

We routinely recommend that you direct our firm to execute transactions through First Allied or Schwab. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

Persons providing investment advice on behalf of our firm who are registered representatives of First Allied may recommend First Allied to you for certain securities transactions/brokerage services. These individuals are subject to applicable rules that restrict them from conducting certain securities transactions away from First Allied unless First Allied provides the representative with written authorization to do so. Therefore, these individuals are generally limited to conducting certain securities transactions through First Allied. It may be the case that First Allied charges higher transactions costs and/or custodial fees than another broker charges for the same types of services. If transactions are executed through First Allied, these individuals (in their separate capacities as registered representatives of First Allied) may earn commission-based compensation as result of placing the recommended securities transactions through First Allied. This practice presents a conflict of interest because these registered representatives might have an incentive to effect securities transactions for the purpose of generating commissions rather than based solely on your needs. You

may utilize the broker-dealer of your choice and have no obligation to purchase or sell securities through such broker as, we recommend. Please see the "Fees and Compensation" section in this brochure for more information on the compensation received by registered representatives who are affiliated with our firm.

Block Trades

Transactions for each client generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may, but are not obligated to, combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given day. If you participate in our wrap fee program (COMPASS) described above, you will not pay any portion of the transaction costs.

Where we combine multiple orders for shares of the same securities purchased, it will be for discretionary accounts only. We do not combine orders for non-discretionary accounts. Accordingly, non-discretionary accounts may pay different costs than discretionary accounts pay. If you enter into non-discretionary arrangements with our firm, we may not be able to buy and sell the same quantities of securities for you at the same price. If you enter into non-discretionary arrangements with our firm and do not participate in our wrap fee program (COMPASS) described above, you may pay higher commissions, fees, and/or transaction costs than clients who enter into discretionary arrangements with our firm.

Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

Item 13 Review of Accounts

Thomas M. Kozlowski, President, Andrew P. Wilson, Vice President, Edward S. Kozlowski, Treasurer and Chief Compliance Officer, and Henry L. Becker, Jr., Secretary will monitor your accounts on a continuous basis to ensure the advisory services provided to you are consistent with your investment needs and objectives. We will offer you a formal account review on an annual basis where you will receive a progress report. Additional reviews may be conducted upon your request. Triggering factors that may stimulate a review include, but are not limited to, significant market corrections, large deposits, or withdrawals from an account, and your request for an additional review. You will receive reports, at least quarterly, from the custodian holding their funds and securities.

If you are a financial planning client, who implements the plan through us, we recommend annual meetings to review the progress of the plan. If you do not implement the plan through us, additional consultations, reviews, and/or updates to existing plans may be subject to our then current hourly rate.

Item 14 Client Referrals and Other Compensation

We do not receive any compensation from any third party in connection with providing investment advice to you. However, we directly compensate individuals and/or entities (Solicitors) for client referrals. Certain Solicitors (individuals or entities) might be affiliated with, contracted by, or employed by LTS, a tax firm and/or Lighthouse Tax & Business Consulting, Inc. (LTBC) a tax and accounting firm. Both LTS and LTBC are affiliated with our firm through common control and ownership. In

order to receive a cash referral fee from our firm, Solicitors must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a Solicitor, you should have received a copy of this brochure along with the Solicitor's disclosure statement at the time of the referral. If you become a client, the Solicitor that referred you to our firm will receive a percentage of the advisory fee you pay our firm for as long as you are a client with our firm, or until such time as our agreement with the Solicitor expires. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon your entering into an advisory agreement with our firm. Therefore, a Solicitor has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

Solicitors that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements. We request that our Solicitors disclose to you whether multiple referral relationships exist and that comparable services may be available from other advisers for lower fees and/or where the Solicitor's compensation is less favorable.

Additionally, as disclosed under the "Fees and Compensation" section in this brochure, certain persons providing investment advice on behalf of our firm are licensed insurance agents, and certain persons are registered representatives with First Allied, a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. For information on the conflicts of interest this presents, and how we address these conflicts, please refer to the "Fees and Compensation" section.

We receive economic benefits from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above in the "Brokerage Practices" section of this brochure. The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

Item 15 Custody

As paying agent for our firm, your independent custodian will directly debit your accounts for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodians holding your funds and securities at least quarterly. The account statements from your custodians will indicate the amount of our advisory fees deducted from your accounts each billing period. You should carefully review account statements for accuracy. If you have a question regarding your account statement, or if you did not receive a statement from your custodian, please contact us directly at the telephone number on the cover page of this brochure.

Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement, a power of attorney, and/or trading authorization forms.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your accounts without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your accounts. For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the "Advisory Business" section in this brochure for more information on our discretionary management services. If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your accounts. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

Item 17 Voting Client Securities

We will not vote proxies on your behalf. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

Item 18 Financial Information

Our firm does not have any financial conditions or impairments that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and we do not require the prepayment of more than \$ 1,200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.

Item 19 Requirements for State Registered Investment Advisers

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

Item 20 Additional Information

Your Privacy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to

ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction at your request, or as required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, you will keep the profit.

Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation; nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

**Lighthouse Financial Advisors, Inc.
dba Lighthouse Wealth Management**

**164 W. Main Street, Suite F
New Market, Maryland 21774**

**Telephone: (301) 865-9740
Fax: (301) 865-9741**

www.lighthousewlth.com

WRAP FEE PROGRAM BROCHURE

July 15, 2014

**FORM ADV PART 2A
APPENDIX 1**

This wrap fee program brochure provides information about the qualifications and business practices of Lighthouse Financial Advisors, Inc. dba Lighthouse Wealth Management. If you have any questions about the contents of this brochure, please contact us at (301) 865-9740. 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 Lighthouse Wealth Management is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Lighthouse Wealth Management is 118060.

Lighthouse Wealth Management is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2 Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes. The following summary describes changes to our wrap fee program brochure since our annual updating amendment filed with regulators on January 28, 2014.

Certain Associated Persons providing investment advice on behalf of our firm who were previously registered Representatives with Mid Atlantic Capital Corporation (Mid Atlantic) are no longer registered with Mid Atlantic. Therefore, disclosures related to Mid Atlantic have been removed from our disclosure brochure. However, we have updated our disclosure brochure to reflect their subsequent registrations with First Allied Securities, Inc. (First Allied), a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. For information on the conflicts of interest this presents, and how we address these conflicts, please refer to the "Fees and Compensation" section of Form ADV Part 2A.

Additionally, certain owners of our firm have purchased a tax and accounting practice, Lighthouse Tax & Business Consulting, Inc. (LTBC), which is located in McLean, Virginia. As such, tax services and/or estate planning services will be provided through other professionals engaged by us at no additional charge to COMPASS participants. As such, we will cover the costs of certain tax related services and/or legal services for basic wills, power of attorneys, etc. related to financial and/or estate planning. We are affiliated with Lighthouse Tax Services, LLC (LTS) and Lighthouse Tax & Business Consulting, Inc. (LTBC) through common control and ownership. We will contract directly with LTS, LTBC, or third party professionals for tax related or legal services for COMPASS participants. In some cases, LTS may outsource or we may refer clients in need of specialized tax or accounting services to other CPAs, including those associated with LTBC.

Ed Kozlowski will primarily provide tax preparation services through LTS. In some cases, LTS may outsource specialized tax or accounting services to other tax and accounting firms, including our affiliated firm, LTBC. Fees charged by our affiliated entities are separate and distinct from advisory fees charged by our firm for advisory services. It is expected that you may become a client of LTS and/or LTBC and vice versa, but you are under no obligation to use the services of our firm, LTS, LTBC, or of their associated persons. We will contract directly with LTS, LTBC, or third party professionals for tax related and/or legal services for COMPASS participants.

We directly compensate individuals and/or entities (Solicitors) for client referrals. Certain Solicitors (individuals or entities) might be affiliated with, contracted by, or employed by LTS, a tax firm and/or Lighthouse Tax & Business Consulting, Inc. (LTBC) a tax and accounting firm. Both LTS and LTBC are affiliated with our firm through common control and ownership. In order to receive a cash referral fee from our firm, Solicitors must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a Solicitor, you should have received a copy of this brochure along with the Solicitor's disclosure statement at the time of the referral. If you become a client, the Solicitor that referred you to our firm will receive a percentage of the advisory fee you pay our firm for as long as you are a client with our firm, or until such time as our agreement with the Solicitor expires. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon your entering into an advisory agreement with our firm. Therefore, a Solicitor has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

If you have questions or would like a copy of our most recent brochure, you can request one free of charge at anytime by contacting us at (301) 865-9740 or 164 W. Main Street, Suite F, New Market, Maryland 21774. You can also visit our website at www.lighthousewlth.com.

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Item 4 Services, Fees and Compensation

Lighthouse Financial Advisors, Inc. dba Lighthouse Wealth Management is a registered investment adviser based in New Market, Maryland. We are organized as a sub Chapter-S corporation under the laws of the State of Maryland. We have been providing investment advisory services since 2000. Thomas Michael Kozlowski, President and Andrew Paul Wilson, Vice President are our principal owners. Edward S. Kozlowski is our Treasurer and Chief Compliance Officer, and Henry L. Becker, Jr. is our Secretary.

The following paragraphs describe our services and fees. Please refer to the description of services below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we," "our" and "us" refer to Lighthouse Financial Advisors, Inc and the words "you," "your" and "client" refer to you as either a client or prospective client of our firm. In addition, you may see the term Associated Person throughout this brochure. As used in this brochure, our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

We offer asset management services whereby we manage your account for a single fee that includes both management services and the transaction/commission costs. This service is designed to assist our clients, including individuals, trusts, estates, charitable organizations, and corporations, to clarify their investment needs and to obtain professional asset management for a convenient single "wrap fee."

We offer discretionary and non-discretionary asset management services. Our investment advice is tailored to meet our clients' needs and investment objectives. Subject to any written guidelines that you may provide, we will be granted discretionary authority to manage your account. Discretionary authorization will allow our firm to determine the specific securities and the amount of securities to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a power of attorney, or trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account.

The account is managed to diversify your investments and may include, but is not limited to, stocks, bonds, options, mutual funds, and money market instruments. Investments and allocations are determined based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, and other various factors. Accounts are managed on an individualized basis. Further restrictions and guidelines imposed by you may affect the composition and performance of your portfolios. For these reasons, performance of your portfolios may not be identical with that of an average client of our firm. On an ongoing basis, we review your financial circumstances and investment objectives and adjust your portfolios as may be necessary to achieve the desired results.

COMPASS Program

COMPASS is our holistic wealth management program for individuals with at least \$500,000 in investable assets. COMPASS integrates the asset management services described above, as well as financial and tax planning, annual tax preparation and preparation of estate planning documents, with the all-inclusive asset management fee covering all services.

Tax services and/or estate planning services will be provided through other professionals engaged by us at no additional charged to COMPASS participants. As such, we will cover the costs of certain tax related services and/or legal services for basic wills, power of attorneys, etc. related to financial and/or estate planning. We are affiliated with Lighthouse Tax Services, LLC (LTS) and Lighthouse Tax & Business Consulting, Inc. (LTBC) through common control and ownership. We will contract directly with LTS, LTBC, or third party professionals for tax related or legal services for COMPASS participants. In some cases, LTS may outsource or we may refer clients in need of specialized tax or accounting services to other CPAs, including those associated with LTBC.

Changes in Circumstances

We will make investment decisions for your portfolios according to your stated objectives, financial circumstances, and risk tolerance. In providing the contracted services, we are not required to verify any information we receive from you or from your other professionals (e.g. attorney, accountant, etc.) and we are expressly authorized to rely on the information you provide. You must promptly notify our firm of any changes in your financial circumstances or investment objectives that might affect the manner in which your accounts should be managed.

The Custodian

The Custodian and Brokers We Use

We do not maintain custody of your assets that we manage, although we may be deemed to have limited custody of your assets if you give us authority to withdraw assets from your account. Your assets must be maintained in an account at a "qualified custodian," generally a broker/dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account, and will buy and sell securities when you or we instruct them to. While we recommend that you use Schwab as custodian/broker, 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 the account for you, although we may assist you in doing so. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below (see "*Your Brokerage and Custody Costs*").

How We Select Brokers/Custodians

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to us and our other clients

- Availability of other products and services that benefit us, as discussed below (see "*Products and Services Available to Us From Schwab*")

Your Brokerage and Custody Costs

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services, but it is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. For some accounts, Schwab may charge you a percentage of the dollar amount of assets in the account in lieu of commissions. Schwab's commission rates applicable to our client accounts were negotiated based on the condition that our clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. This commitment benefits you because the overall commission rates you pay are lower than they would be otherwise. In addition to commissions Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "*How We Select Brokers/Custodians*").

Products and Services Available to Us From Schwab

Schwab Advisor Services™ (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. They provide our clients and us with access to its 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 generally are available on an unsolicited basis (we don't have to request them) and at no charge to us as long as our clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. If our clients collectively have less than \$10 million in assets at Schwab, Schwab may charge us quarterly service fees of \$1,200. Following is a more detailed description of Schwab's support services.

Services That Benefit You

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Services That May Not Directly Benefit You

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data

- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

Services That Generally Benefit Only Us

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

Our Interest in Schwab's Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We do not have to pay for Schwab's services so long as our clients collectively keep a total of at least \$10 million of their assets in accounts at Schwab. Beyond that, these services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The \$10 million minimum may give us an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "*How We Select Brokers/Custodians*") and not Schwab's services that benefit only us.

The Program Fee

The fee charged to the account is negotiable and is set forth in the agreement for services (Agreement). Upon entering into the Agreement, you will open a brokerage account with an independent and unaffiliated brokerage firm, such as Charles Schwab Institutional Services, a division of Charles Schwab and Co., Inc. member FINRA/SIPC ("Schwab"), among others. The brokerage firm provides you with securities custody and execution services. On an annualized basis, our fees for asset management services, subject to negotiation, are as follows:

Asset Value	Annualized Fee**
\$1 to \$2,000,000	1.25 %
\$2,000,001 to \$ 4,000,000	1.00%
\$4,000,001 to \$6,000,000	0.50%
\$6,000,001 and above	0.25%

In certain circumstances and at our sole discretion, a flat fee may be negotiated for asset management services. We generally require a minimum of \$500,000 per household to open and maintain a management account. Accounts may be subject to a \$2,500 minimum annual fee. **Existing clients may have contracted for services under a different fee schedule.

Our annual asset management fee is billed and payable quarterly in advance based on the value of your account on the last day of the previous quarter. If the asset management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances. A portion of the fee is paid to Schwab for commission and/or transactions costs.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

We will send you an invoice for the payment of our advisory fee, or we will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

You may terminate the asset management agreement upon 30-days' written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the asset management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

We encourage you to review the statements you receive from the qualified custodian. If you have questions about your statements, or if you did not receive a statement from the qualified custodian, please call our office number located on the cover page of this brochure.

Computing Market Value

Typically, the value of the Account will be based on the value reported by the Custodian on its monthly or quarterly statements (or on Custodian's internal electronic system, if any, for values calculated other than at the end of a month or quarter); provided, we may, in the exercise of our fiduciary obligations, determine the value an Account or any asset in an Account in such manner as it shall determine in good faith to reflect its fair value.

Additional Fees and Expenses

The Program Fee includes the costs of brokerage commissions for transactions executed through the Qualified Custodian (or a broker-dealer designated by the Qualified Custodian), and charges relating to the settlement, clearance, or custody of securities in the Account. The Program Fee does not include mark-ups and mark-downs, dealer spreads or other costs associated with the purchase or sale of securities, interest, taxes, or other costs, such as national securities exchange fees, charges for transactions not executed through the Qualified Custodian, costs associated with exchanging currencies, wire transfer fees, or other fees required by law or imposed by third parties. The Account will be responsible for these additional fees and expenses.

Each mutual fund, ETF, or variable annuity in which the Account may be invested will also charge a management fee, other internal expenses, a possible distribution fee, and for variable annuities, a mortality charge. Certain mutual funds offered through the Programs may impose short-term trading charges (typically 1% - 2% of the amount originally invested) for redemptions made within short periods of time.

All of the fees and expenses discussed above will be indirect expenses borne by the Account, and will be in addition to the Program Fee. You should consider all of these fees and expenses (including the Program Fee) to fully understand the total amount of fees and expenses to be paid by the Account and to evaluate the advisory services being provided. The fees and expense related to mutual funds, ETFs, or variable annuities are disclosed in their respective prospectus or summary disclosure document.

You may also purchase mutual funds, ETF's, or variable annuities outside of the Account, without our services, and without paying the Program Fee, but in that event, the Account would not receive the benefit of our services.

Wrap Fee Program Disclosures

- Wrap fee programs may not be suitable for all investment needs, and any decision to participate in a wrap fee program should be based on your financial situation, investment objectives, tolerance for risk, and investment time horizon, among other considerations.
- The benefits under a wrap fee program depend, in part, upon the size of the Account and the number of transactions likely to be generated in the Account. For example, a wrap fee program may not be suitable for Accounts with little trading activity. In order to evaluate whether a wrap fee program is suitable for you, you should compare the Program Fee and any other costs of the Programs with the amounts that would be charged by other advisers, broker-dealers, and custodians, for advisory fees, brokerage and other execution costs, and custodial services comparable to those provided under the Programs.
- Participating in a wrap fee program may cost more or less than the cost of purchasing advisory, brokerage, and custodial services separately from third parties.
- Our firm and our advisory Representatives will receive compensation as a result of your participation in the Programs. This compensation may be more than the amount our firm or the Representative would receive if you paid separately for investment advice, brokerage, and other services. Accordingly, a conflict of interest exists because our firm and our Representatives have a financial incentive to recommend the Programs, and may recommend the Programs over other programs or services for which the compensation arrangements are not as beneficial.

Due to the single fee charged to a Program account, we may be regarded as having a conflict of interest in that we may realize a greater profit on a Program account with a relatively low rate of portfolio turnover compared to other types of accounts, assuming the same level of fees.

Item 5 Account Requirements and Types of Clients

We offer investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities. For asset management services, we impose a minimum annual fee of \$2,500.

Item 6 Portfolio Manager Selection and Evaluation

We are both the sponsor and portfolio manager of the wrap fee program. Our portfolios are managed in accordance with recommendations from our asset management team. We meet at least monthly to review and recommend portfolio model changes.

Performance-Based Fees and Side-By-Side Management

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in the Services, Fees and Compensation section above, and are not charged based on a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

Methods of Analysis and Investment Strategies

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

- **Fundamental Analysis** - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.
- **Technical Analysis** - involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.
- **Long Term Purchases** - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- **Short Term Purchases** - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various factors. Your restrictions and guidelines may affect the composition of your portfolios.

Risks of Methods of Analysis

Technical Analysis - The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Fundamental Analysis - The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

We may use short-term trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your accounts. Short-term trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk.

We may use investment strategies that involve buying and selling securities frequently in an effort to capture significant market gains and avoid significant losses during a volatile market. However, frequent trading can negatively affect investment performance, particularly through increased brokerage and other transactional costs and taxes.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Recommendation of Particular Types of Securities

We primarily recommend mutual funds; however, we may recommend other types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

Mutual funds and exchange traded funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. Exchange traded funds differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. In addition, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end." So-called "open end" mutual funds continue to allow in new investors indefinitely, which can dilute other investors' interests. We primarily recommend no-load funds.

Block Trades

Transactions for each client generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may, but are not obligated to, combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given day. If you participate in this wrap fee program, you will not pay any portion of the transaction costs.

Where we combine multiple orders for shares of the same securities purchased, it will be for discretionary accounts only. We do not combine orders for non-discretionary accounts. Accordingly, non-discretionary accounts may pay different costs than discretionary accounts pay. If you enter into non-discretionary arrangements with our firm, we may not be able to buy and sell the same quantities of securities for you at the same price.

Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

Proxy Voting

We will not vote proxies on your behalf. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

Item 7 Client Information Provided to Portfolio Managers

Our wrap fee program is managed by our advisory representatives (See "Portfolio Manager Selection and Evaluation" above).

Item 8 Client Contact with Portfolio Managers

You should contact our firm or your advisory representative directly with any questions regarding your account.

Item 9 Additional Information

Disciplinary Information

Neither our firm nor any of our Associated Persons has any reportable disciplinary information.

Other Financial Industry Activities and Affiliations

Registrations with Broker-Dealer

Certain Associated Persons providing investment advice on behalf of our firm are registered representatives of First Allied Securities, Inc. (First Allied), a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation.

Insurance

Certain Associated Persons providing investment advice on behalf of our firm may be licensed as insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate from our advisory fees.

Please see the "Fees and Compensation" section of Form ADV Part 2A for more information on the compensation received by registered representatives and insurance agents who are affiliated with our firm.

Tax and Accounting Services

We are affiliated with Lighthouse Tax Services, LLC (LTS) and Lighthouse Tax & Business Consulting, Inc. (LTBC) through common control and ownership. Ed Kozlowski will primarily provide tax preparation services through LTS. In some cases, LTS may outsource specialized tax or accounting services to other tax and accounting firms, including our affiliated firm, LTBC. Fees charged by our affiliated entities are separate and distinct from advisory fees charged by our firm for advisory services. It is expected that you may become a client of LTS and/or LTBC and vice versa, but you are under no obligation to use the services of our firm, LTS, LTBC, or of their associated persons.

As described above in the Services, Fees and Compensation section, we will contract directly with LTS, LTBC, or third party professionals for tax related and/or legal services for COMPASS participants.

Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

Participation or Interest in Client Transactions

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond providing investment advisory services as disclosed in this brochure.

Personal Trading Practices

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. We may also combine our orders to purchase securities with your orders to purchase securities ("block trading"). Please refer to the Block Trades section in this brochure for information on our block trading practices. However, the foregoing policy does not apply to investments in:

- (i) direct obligations of the Government of the United States;
- (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements;
- (iii) shares issued by mutual funds or money market funds; and,
- (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Although clients and we are invested primarily in mutual funds, a potential conflict of interest exists in such cases where we could have the ability to trade other types of securities, such as exchange traded funds or other equities, ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of such securities.

Reviews of Accounts and Reports

Thomas M. Kozlowski, President, Andrew P. Wilson, Vice President, Edward S. Kozlowski, Treasurer and Chief Compliance Officer, and Henry L. Becker, Jr., Secretary will monitor your accounts on a continuous basis to ensure the advisory services provided to you are consistent with your investment needs and objectives. We will offer you a formal account review on an annual basis where you will receive a progress report. Additional reviews may be conducted upon your request. Triggering factors that may stimulate a review include, but are not limited to, significant market corrections, large deposits, or withdrawals from an account, and your request for an additional review. You will receive reports, at least quarterly, from the custodian holding their funds and securities.

Client Referrals and Other Compensation

We do not receive any compensation from any third party in connection with providing investment advice to you. However, we directly compensate individuals and/or entities (Solicitors) for client referrals. Certain Solicitors (individuals or entities) might be affiliated with, contracted by, or employed by LTS, a tax firm and/or Lighthouse Tax & Business Consulting, Inc. (LTBC) a tax and accounting firm. Both LTS and LTBC are affiliated with our firm through common control and ownership. In order to receive a cash referral fee from our firm, Solicitors must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a Solicitor, you should have received a copy of this brochure along with the Solicitor's disclosure statement at the time of the referral. If you become a client, the Solicitor that referred you to our firm will receive a percentage of the advisory fee you pay our firm for as long as you are a client with our firm, or until such time as our agreement with the Solicitor expires. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon your entering into an advisory agreement with our firm. Therefore, a Solicitor has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

Solicitors that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements. We request that our Solicitors disclose to you whether multiple referral relationships exist and that comparable services may be available from other advisers for lower fees and/or where the Solicitor's compensation is less favorable.

Additionally, certain persons providing investment advice on behalf of our firm are licensed insurance agents, and certain persons are registered representatives with First Allied, a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. For information on the conflicts of interest this presents, and how we address these conflicts, please refer to the "Fees and Compensation" section of Form ADV Part 2A.

We receive economic benefits from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above in this brochure. The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

Financial Information

Our firm does not have any financial conditions or impairments that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and we do not require the prepayment of more than \$ 1,200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.

Your Privacy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction at your request, or as required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, you will keep the profit.

Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation; nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

Item 10 Requirements for State-Registered Advisers

This section is not applicable to our firm because we are an SEC-registered investment adviser.