

Brochure Supplement

March 30, 2018

LFS Asset Management

Firm CRD No. 154223

John Lau

Managing Member

Individual CRD No. 2207128

577 Airport Boulevard, Suite 150
Burlingame, CA 94010

phone: 650-344-1700
email: jlau@lfsfinance.com
website: www.lfsfinance.com

This brochure supplement provides information about John Lau that supplements the LFS Asset Management brochure. You should have received a copy of that brochure. If you did not receive an LFS brochure or if you have any questions about the contents of this supplement, please contact us at jlau@lfsfinance.com.

Additional information about John Lau is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Educational Background and Business Experience

John Lau (b. 1951) is the Managing Member of LFS Asset Management.

A. Educational Background

| | |
|---|------|
| B.S., Accounting, California State University, Fresno | 1974 |
| M.S., Taxation, Golden Gate University | 1999 |

B. Business Background

| | |
|--|-----------------|
| Fortune Financial Services, Inc. | 06/2016–Present |
| Managing Member, LFS Asset Management | 01/2001–Present |
| Registered Representative, Girard Securities, Inc. | 05/2011–06/2016 |

C. Professional Designations - Qualifications and Related Criteria

Certified Public Accountant (CPA)

CPAs are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education, experience and testing requirements for licensure as a CPA generally include minimum college education (typically 150 credit hours with at least a baccalaureate degree and a concentration in accounting), minimum experience levels (most states require at least one year of experience providing services that involve the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification by a CPA), and successful passage of the Uniform CPA Examination. In order to maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a two-year period or 120 hours over a three-year period). Additionally, all American Institute of Certified Public Accountants (AICPA) members are required to follow a rigorous Code of Professional Conduct, which requires that they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interest (and obtain client consent if a conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees, and serve the public interest when providing financial services.

In addition to the Code of Professional Conduct, AICPA members who provide personal financial planning services are required to follow the Statement on Standards in Personal Financial Planning Services (the "Statement"). Most state boards of accountancy define financial planning as the practice of public accounting and therefore have jurisdiction over CPAs practicing in this discipline; state boards would likely look to the Statement as the authoritative guidance in this practice area regardless of specific or blanket adoption of AICPA standards.

CERTIFIED FINANCIAL PLANNER™ (CFP®) Professional

Individuals certified by CFP® Board have taken the step to demonstrate their professionalism by voluntarily submitting to the CFP® certification process that includes thorough education,

examination, experience and ethical requirements. The CFP® is issued by the Certified Financial Planner Board of Standards, Inc. Prerequisites require a designee to hold a Bachelor's degree (or higher) from an accredited college or university as well as three years of full-time personal financial planning experience. In addition, candidates must complete a CFP-board registered program (or hold an accepted designation, degree or license) and take the CFP Certification examination. To maintain certification, the designee is required to complete 30 hours of continuing education every two years and continue to agree to be bound by the Standards of Professional Conduct.

Item 3: Disciplinary Information

John Lau does not have any disciplinary action to report. Public information concerning Mr. Lau's registration as an investment advisor representative may be found by accessing the SEC's public disclosure site at www.adviserinfo.sec.gov.

Item 4: Other Business Activities

Registered Representative of Fortune Financial Services, Inc.

Mr. Lau is licensed with Fortune Financial Services, Inc. ("FFS"). FFS may provide brokerage services to one or more of the third-party advisors to whom investment advisor representatives of LFS, in their capacity as LFS investment advisor representatives, refer potential clients. FFS may receive brokerage fees for transactions completed on behalf of customers. As a result, a conflict of interest may be deemed to exist in that referral of separate account managers offered by FFS may benefit LFS by providing leverage for LFS to negotiate a more favorable economic arrangement or to procure additional services with or through FFS. LFS advisory clients are not compelled to effect securities transactions through FFS. LFS professionals who effect transactions for advisory clients will not receive transaction or commission compensation from either FFS or any other executing broker.

Insurance Agent

Mr. Lau is a licensed insurance agent. With respect to the provision of financial planning services, he may recommend insurance products offered by certain carriers for whom he functions as an agent and receive a commission for doing so. Clients are advised of a potential conflict of interest in that there is an economic incentive to recommend insurance and other investment products of such carriers. Clients are also advised that LFS professionals strive to put their clients' interests first and foremost. Other than for insurance products that require a securities license, such as variable insurance products, clients may utilize any insurance carrier or insurance agency they desire. For products requiring a securities and insurance license, clients may be limited to those insurance carriers that have a selling agreement with LFS' professionals' employing broker-dealer.

Tax Practitioner

Mr. Lau is a licensed tax practitioner. He spends approximately 25% of his time devoted to such accounting activities.

Item 5: Additional Compensation

Mr. Lau receives additional compensation through the business activities described in Item 4 above.

Item 6: Supervision

Supervision of Mr. Lau is performed by Gery Sadzewicz, Chief Compliance Officer, through reviews of internal transaction and security holdings reports, electronic and physical correspondence, and other internal reports as mandated by the firm and its regulatory authorities. Mr. Sadzewicz can be reached at 815-782-1250.

Item 7: Requirements for State-Registered Advisors

A. Additional Disciplinary Disclosures

A.1. An Award or Otherwise Being Found Liable in an Arbitration Claim Alleging Damages in Excess of \$2,500

There is nothing to report for this item.

A.2. An Award or Otherwise Being Found Liable in a Civil, Self-Regulatory Organization or Administrative Proceeding

There is nothing to report for this item.

B. Bankruptcy

There is nothing to report for this item.