



THE LUBITZ  
FINANCIAL  
GROUP

Personal Financial Planning & Investment Management

The Lubitz Financial Group

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FORM ADV PART 2A  
BROCHURE

This brochure provides information about the qualifications and business practices of The Lubitz Financial Group. If you have any questions about the contents of this brochure, please contact us at 305-670-4440. 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 The Lubitz Financial Group is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The Lubitz Financial Group 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.

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.

We have a material change filed with the SEC in March of 2021: Gregory Cheng has joined the firm as part of the Executive Management Team.

<u>ITEM 1: COVER PAGE</u> .....	1
<u>ITEM 2: SUMMARY OF MATERIAL CHANGES</u> .....	13
<u>ITEM 3: TABLE OF CONTENTS</u> .....	3
<u>ITEM 4: ADVISORY BUSINESS</u> .....	4
<u>ITEM 5: FEES AND COMPENSATION</u> .....	9
<u>ITEM 6: PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT</u> .....	13
<u>ITEM 7: TYPES OF CLIENTS</u> .....	13
<u>ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS</u> .....	13
<u>ITEM 9: DISCIPLINARY INFORMATION</u> .....	17
<u>ITEM 10: OTHER FINANCIAL ACTIVITIES AND AFFILIATIONS</u> .....	18
<u>ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING</u>	18
<u>ITEM 12: BROKERAGE PRACTICES</u> .....	19
<u>ITEM 13: REVIEW OF ACCOUNTS</u> .....	21
<u>ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION</u> .....	132
<u>ITEM 15: CUSTODY</u> .....	182
<u>ITEM 16: INVESTMENT DISCRETION</u> .....	24
<u>ITEM 17: VOTING CLIENT SECURITIES</u> .....	134
<u>ITEM 18: FINANCIAL INFORMATION</u> .....	184
<u>ITEM 19: REQUIREMENTS FOR STATE-REGISTERED ADVISOR</u> .....	25
<u>ITEM 20: ADDITIONAL INFORMATION</u> .....	25

### **Description of Services and Fees**

The Lubitz Financial Group (LFG) was founded in 1997. The legal business name is Linda S. Lubitz, CFP®, PA, dba (doing business as) The Lubitz Financial Group. We are a privately held independent Registered Investment Advisor firm with our office in Miami, Florida. Linda S. Boone, CFP®, is a 95% stockholder and, effective 1/5/2018; Jorge Padilla is a minority stockholder.

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 The Lubitz Financial Group and the words "you", "your", "they" and "client" refer to you as either a client or prospective client of our firm.

We provide personalized, confidential financial planning and investment management to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations and small businesses. Advice is provided through consultation with the client and may include determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding planning, retirement planning, and estate planning.

The initial meeting, normally in person but may be by telephone (or virtually), is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to you and appropriate for us

### **Financial Planning Services**

Our financial plans are designed to be broad-based in nature. Generally, in keeping with the scope of A the planning engagement, we provide you with a written plan, which reviews your current situation and recommends actions consistent with your financial and personal goals. A fee based on the scope of the planning work, is charged and included in the financial planning contract.

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for

changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations. We may also provide hourly consulting on specific topics as requested.

General investment advice is provided as part of a financial plan. If a client is going to retain us for on-going investment management, detailed investment advice and specific security recommendations can be provided as part of a financial plan. Implementation of the recommendations is at your discretion.

No legal or accounting advice is given. The financial planning written report is a service separate from recommendation and on-going supervision of investments. Unless otherwise agreed to in an Investment Advisory Agreement, there will be no ongoing investment management after the financial plan is completed. A client may use our services for the written report and/or ongoing fee-only investment management.

Our financial planning services, to the client, end at the termination of the financial planning contractual period. Should a financial planning client wish to get periodic updates, they will be charged an appropriate fee for the services provided.

For our ongoing Investment Management clients, updates to their financial plan are provided either as part of their ongoing annual fee or for an additional fee.

Our clients acknowledge that:

- Any financial planning is based solely on the accuracy and completeness of the information provided by our client.
- Any projections or other information generated during the financial planning process
  - Are hypothetical in nature,
  - Do not reflect actual investment results, and
  - Do not guarantee any future results.

Our client must promptly notify our firm if their financial situation, goals, objectives, or needs change. They are under no obligation to act on our financial planning recommendations. Should they choose to act on any of our recommendations, they are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, they may act on our recommendations by placing securities transactions with any brokerage firm.

## **Investment Management Services**

Most Financial Planning clients choose to have our firm manage their investments in order to obtain ongoing in-depth advice, and it is our preference that all Investment Management clients will have retained us to provide Financial Planning services. An Investment Advisory Agreement will be executed when we are retained for ongoing investment management. Investment advice is provided and based upon the mutually signed Investment Policy Statement. We select individual securities based upon your Investment Policy Statement.

Realistic and measurable goals for each client are set and objectives to reach those goals are defined. As their goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The scope of work and fee for an Investment Advisory Agreement is provided to you in writing prior to the start of the relationship. An Investment Advisory Agreement relationship includes periodic reporting, usually quarterly, of your investment values, investment policy target allocation vs. actual, asset class diversification, individual security selection, purchases and sales, best efforts at rebalancing to the target Investment Policy Statement allocation, tax-loss harvesting, tax reporting and periodic meetings with you to review these and other items.

If you participate in our discretionary investment management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us 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 and the appropriate 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.

To assist certain clients, we have entered into an Investment Management agreement with Advisor Partners, LLC (AP). AP has agreed to act as a sub-advisor, and as such will provide certain investment management services. AP will manage and invest clients' assets in accordance with the investment strategy selected by the investor and our firm. That strategy may include seeking to manage the tax impact of clients' investments through an individually managed U.S. equity portfolio account in order to meet an investor's long-term goals of managing tax liability and controlling risk.

## **Courtesy Accounts**

As an accommodation for clients and others, from time to time, The Lubitz Financial Group

may allow clients to establish an account ("Courtesy Account") under a separate The Lubitz Financial Group's Master Account at Schwab. Before The Lubitz Financial Group agrees to such an account, the account holder must sign a written Courtesy Account Agreement which sets forth the terms and conditions under which the Courtesy Account must operate. These conditions include but are not limited to the following:

- (i) The Lubitz Financial Group will not have any fiduciary or other responsibility with respect to assets held in any such Courtesy Account.
- (ii) The Lubitz Financial Group has no responsibility to monitor, trade, or report on assets held in the Courtesy Account; and
- (iii) Assets held in the Courtesy Account will not be included in The Lubitz Financial Group's Investment Advisory fee calculations.

### **Types of Investments**

Assets are invested primarily in no-load mutual funds and exchange-traded funds, usually through custodians or fund companies. Investments may also include equities (stocks), corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (no-load variable annuities, and mutual funds shares), U.S. government securities, options contracts, futures contracts, and interests in partnerships. Initial public offerings (IPOs) are typically not available through our firm.

We may recommend and invest in non-liquid and non-publicly traded companies such as private equity firms, non-daily-liquid mutual funds (commonly called Interval Funds) and regular but non-daily real estate investments... Due diligence will be performed by our advisory team before such recommendations are made. These investment recommendations may not be suited for every client and will only be suggested to clients that qualify as accredited investors as required by the investment company and that meet a specific financial and risk profile. Under these circumstances, we will act as the advisor and will use a custodian like Charles Schwab & Co., Inc., Fidelity Investments, National Advisors Trust Company, or a similar company to custody the investment and comply with the required financial reporting and disclosures.

You may request that we refrain from investing in a particular security or certain types of securities. These restrictions will be documented in our mutually signed Investment Policy Statement.

Certain aspects of our investment operations and client services are performed by Dynamic Wealth Advisors (DWA). The administration of, and access to, their wealth management platform as well as advisor portal is utilized by The Lubitz Financial Group for a fee, without an

impact to clients. Assistance in trading and rebalancing LFG designed models, client fee calculations and client fee debiting administration is carried out by DWA per LFG specifications. Client personal information is accessible by Dynamic Wealth Advisors in order to provide these services. As dictated by our agreement with Dynamic Wealth Advisors, "each party agrees to retain in confidence at all times and to require its employees, consultants, Platform Providers, Technology Providers, professional representatives and agents to retain in confidence all Confidential Information ... in connection with the ... Agreement".

## **General - Advisory Services to Retirement Plans and Plan Participants**

We offer various levels of advisory and consulting services to employee benefit plans ("Plan") and to the Trustee(s) of such plans ("Trustees"). The services are designed to assist plan sponsors in meeting their management and fiduciary obligations to Participants under the Employee Retirement Income Securities Act ("ERISA"). Pursuant to adopted regulations of the U.S. Department of Labor, we are required to provide the Plan's responsible plan fiduciary (the person who has the authority to engage us as an investment adviser to the Plan) with a written statement of the services we provide to the Plan, the compensation we receive for providing those services, and our status (which is described below).

The services we provide to your Plan are described above under the Investment Management Services heading, and in our service agreement. Our compensation for these services is described below, at Item 5, and in the service agreement. We do not reasonably expect to receive any other compensation, direct or indirect, for the services we provide to the Plan or Trustee, unless the plan sponsor directs us to deduct our fee from the plan or directs the plan record-keeper to issue payment for our fee out of the plan. If we receive any other compensation for such services, we will (i) offset the compensation against our stated fees, and (ii) we will promptly disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to you.

### **Status**

In providing services to the Plan and Trustee, our status is that of an investment adviser registered under the Investment Advisers Act of 1940, and we are not subject to any disqualifications under Section 411 of ERISA. In performing fiduciary services, we are acting either as a non-discretionary fiduciary of the Plan as defined in Section 3(21) under ERISA, or as a discretionary fiduciary of the plan as defined in Section 3(38) under ERISA.

### **Assets Under Management**

As of 12/31/2020, we manage \$219,978,574 in client assets on a discretionary basis.



## **Item 5: FEES AND COMPENSATION**

We are strictly a fee-only financial planning and investment management firm. We do not sell any investment products, such as annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products which pay our firm any compensation. No commissions in any form are accepted. No finder's fees or referral fees are accepted. We receive compensation only from our clients.

### **Financial Planning Services**

We charge a fixed fee for financial planning services, which is predicated upon the facts known at the start of the engagement. The minimum fee is \$5,000.00 and may change based on the complexity associated with your situation. The fee will be quoted in your contract. The fee is computed at the beginning of the engagement and based on an estimate of the time required to complete the work multiplied times the hourly rate of The Lubitz Financial Group Professionals to be involved. Payment arrangements will vary, but in all cases involve a partial payment upon the agreement being signed with remaining amounts due at pre-defined points in the process, most often 25% of the total every 90 days until fully paid or until the project is completed, whichever comes first. The fee amount may be negotiated which could result in an adjustment in the number of hours to be spent in advance and the remaining portion at the end of the engagement.

Since financial planning is a discovery process, situations may occur with the client where we are initially unaware of certain financial exposures or predicaments. In the event that your situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement. You must approve in writing the change of scope in advance of the additional work being performed when a fee increase is necessary.

After delivery of a financial plan, future face-to-face meetings may be scheduled as necessary. Follow-up implementation work can be billed separately at the rate of \$350.00 per hour if the client is not an investment management client or if the scope of the engagement requires additional work.

A client may terminate the financial planning agreement at any time by providing written notice to our firm. The client will incur a pro rata charge for services rendered prior to the termination of the agreement. If there are pre-paid advisory fees that we have not yet earned, the client will receive a prorated refund of those fees.

## Hourly Planning Engagements

We offer hourly planning services for clients who need advice on a limited scope of work. The rate for limited scope engagements is \$350.00 per hour. There is typically not a signed agreement for hourly planning engagements. An invoice is prepared once the engagement is completed.

## Investment Management Services

Our fee for investment management services is based on a percentage of your assets we manage according to the following fee schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
Assets less than \$500,000.00	minimum \$5,000
\$500,000.01 to \$2,000,000.00	1.00%
\$2,000,000.01 to \$5,000,000.00	0.70%
\$5,000,000.01 to \$10,000,000.00	0.40%
\$10,000,000.01 and above	0.25%

The minimum annual fee is \$5,000.00. The investment management fee can be influenced by several factors including: the composition of the account, the nature of the account, the existence of related accounts, the source of the account, the complexity of the account and when the account was established, and as a result, may change. Current client relationships may exist where the fees are higher or lower than the fee schedule above. Occasionally, various related client accounts may be grouped together to qualify for reduced advisory fees. This is typically referred to as "household aggregate" billing.

Generally, our annual portfolio management fee is billed and payable quarterly in advance based on the gross value of a client account on the last business day of the previous quarter. We reserve the right to bill an additional fee if assets are added to the accounts during a quarter or adjust the fee if assets are withdrawn during a quarter. When a new account is implemented during a quarter, LFG will prorate the fee and bill in arrears on such new account at the time of the initial quarterly billing. Although the Investment Advisory Agreement is an ongoing agreement and constant adjustments are required, the length of service is at the client's discretion. A client may terminate the Investment Advisory Agreement at any time by notifying our firm in writing. We may terminate the Investment Advisory Agreement at any time by notifying a client in writing. You shall be responsible for Investment Advisory Fees up

to and including the effective date of termination. LFG will refund any unearned, prepaid fees based on the number of days remaining in the quarter from the day following the effective date of termination to the end of the quarter. For every resigned account, we confirm the action to a client via a letter. These fees are either reimbursed directly into the client account or by a company check made payable to the account holder.

We will deduct our fee directly from the client account through the qualified custodian holding your funds and securities. It may be possible to pay our fees directly by check, however, there may be an administrative fee assessed for this method of payment. We will deduct our advisory fee only when written authorization permitting the fees to be paid directly from an account has been given. Further, the qualified custodian will deliver an account statement to the client at least quarterly. These account statements will show all disbursements from the account. All statements should be reviewed for accuracy. A calculation of this fee is available to the client, upon request.

**Retainer Agreement**

In some circumstances, we may execute a Retainer Agreement when it is more appropriate to work on a fixed-fee basis. The annual fee for retainer services is negotiable on a client-by-client basis and is payable quarterly. The fee will be set forth in the Retainer Agreement with our firm. A client may terminate the Retainer Agreement within five business days after it is signed, in which case a client is entitled to a refund of any fee actually paid. After this five-day period, a client may terminate the Retainer Agreement upon written notice, in which case the fee is refundable for any portion of advance fees attributable to services not performed prior to the termination of the Retainer Agreement.

**Sub-Advisory Services**

Several of our clients have a separately managed account for U.S. Large Company stocks and these clients have a relationship with Advisor Partners, LLC which charges a fee according to the following Fee Schedule:

On the first \$500,000	0.60%
On the next \$1,500,000	0.40%
On the next \$8,000,000	0.30%
On the amounts above \$10,000,000	0.20%.

We will charge our normal fee in addition to the Advisor Partners' fee.

## Past Due Accounts

We reserve the right to stop work on any account that is more than 60 days overdue. In addition, we reserve the right to terminate any financial planning engagement where a client has willfully concealed, has refused to provide pertinent information about financial situations when necessary and appropriate, or does not respond to our inquiries in a timely fashion, in our judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 30 days.

## Additional Fees and Expenses

As part of our investment advisory services, we may invest, or recommend investing in mutual funds and exchange traded funds. The fees that a client pays 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. A client 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 the 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 a client may incur, they 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.

If it is determined that a client portfolio shall contain corporate debt or other types of over-the-counter securities, the client may pay a mark-up or mark-down or a "spread" to the broker or dealer on the other side of the transaction that is built into the purchase price of the security. The Lubitz Financial Group does not share in any such compensation.

As a general rule, we do not trade client accounts on margin; however, at the request of the client for a short-term cash needs situation or to cover checks written on the account when cash is not available, we will do so. Each client must sign a separate margin agreement with the custodian before margin is extended to that client account. Fees for advice and execution on these securities are based on the total asset value of the account, which includes the value of the securities purchased on margin. While a negative amount may show on a client's statement for the margined security as the result of a lower net market value, the amount of the Investment Management fee is based on the absolute market value. This creates a conflict of interest where we have an incentive to encourage the use of margin to create a higher market value and therefore receive a higher fee. The use of margin may also result in interest charges in addition to all other fees and expenses associated with the security involved.

## **Item 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

We do not accept performance-based fees or participate in side-by-side management. 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. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the Advisory Business section above and are not charged on the basis of a share of capital gains or capital appreciation of the funds in your advisory account because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk.

## **Item 7: TYPES OF CLIENTS**

### **Description**

We generally provide investment advice to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations or business entities.

### **Account/Fee Minimums**

The minimum account size for investment management services is \$500,000.00 of assets under management, which equates to an annual fee of \$5,000.00. When an account falls below \$500,000.00 in value, the minimum annual fee of \$5,000.00 is typically charged. We have the discretion to waive the account minimum. Accounts of less than \$500,000.00 may be set up when we, and the client, anticipate the client will add additional funds to the accounts bringing the total to \$500,000.00 within a reasonable time. Other exceptions may apply to employees of our firm and their relatives, or relatives of existing clients.

The minimum fee for financial planning services is \$5,000.00 and is negotiable based on the complexity associated with the client's situation.

## **Item 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **Our Methods of Analysis**

Security analysis methods may include fundamental and/or technical analysis. In addition,

suitable categories of investments are selected in accordance with the clients' attitudes about risk and their need for capital appreciation or income production. Within each category, individual investments whose characteristics are most consistent with the particular objectives for which the category was chosen are selected. Risk factors of the different investments are considered, particularly in light of the clients' willingness to assume short-term volatility risk.

The main sources of information include financial publications, research materials provided by other investment institutions, corporate rating services, annual reports, prospectuses, and company press releases.

Other sources of information that we may use include Morningstar investment product information, our custodians' research platforms, Advisor Intelligence, and other internet sources.

## **Investment Strategies**

Our client's portfolios are managed using a combination of both active and passive management styles, based on the belief that while passive (index-based) investment management is well-diversified and effective in some parts of the markets, not all parts of all markets are well suited to the passive approach. In those areas we deem as less efficient, we may pick stocks and bonds or may choose to try to pick those managers and/or mutual funds that have successful track records in these areas. Our clients need to understand that the results may range from above to below market results based on the skill of selection as well as the overall performance of the markets. Modern Portfolio Theory, as recognized by the 1990 Nobel Prize, will be the philosophical foundation for how the portfolio will be structured and how subsequent decisions will be made. The underlying concepts of Modern Portfolio Theory include:

- Investors are risk averse. The only acceptable risk is that which is adequately compensated by potential portfolio returns.
- Markets are efficient. It is virtually impossible to anticipate the future direction of the market as a whole or of any individual security. It is, therefore, unlikely that any portfolio will succeed in consistently "beating the market."
- The design of the portfolio as a whole is more important than the selection of any particular security within the portfolio. The appropriate allocation of capital among asset classes (stocks, bonds, cash, etc.) will have far more influence on long-term portfolio results than the selection of individual securities. Investing for the long term (preferably longer than ten years) becomes critical to investment success because it allows the long-term characteristics of the asset classes to surface.
- For a given risk level, an optimal combination of asset classes will maximize returns.

Diversification helps reduce investment volatility. The proportional mix of asset classes determines the long-term risk and return characteristics of the portfolio as a whole. Portfolio risk can be decreased by increasing diversification of the portfolio and by lowering the correlation of market behavior among the asset classes selected. (Correlation is the statistical term for the extent to which two asset classes move in tandem or opposition to one another.)

- Investing globally helps to minimize overall portfolio risk due to the imperfect correlation between economies of the world. Investing globally has also been shown historically to enhance portfolio returns, although there is no guarantee that it will do so in the future.
- Stocks/Stock funds offer the potential for higher long-term investment returns than cash or fixed income/bond/CD investments. Stocks are also more volatile in their performance. Investors seeking higher rates of return must increase the proportion of stocks in their portfolio, while at the same time accepting greater variation of results (including occasional declines in value).
- Picking individual securities and timing the purchase or sale of investments in the attempt to "beat the market" are highly unlikely to increase long-term investment returns; they also can significantly increase portfolio operating costs. Such practices are, therefore, to be avoided.

Given these tenets, the underlying approach to managing client accounts shall be to optimize the risk-return relationship appropriate to their needs and goals. Client Investment Policies will be diversified globally employing a variety of asset classes. Mutual funds or managed portfolios will be employed to implement the portfolio and the chosen asset classes will be periodically re-balanced to maintain a more consistent risk/reward profile.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases, short-term purchases, and margin transactions.

### **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 not a guaranteed indication of future

performance.

Our investment approach routinely keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## **Tax Considerations**

As a result of revised IRS regulations, custodians and broker-dealers began reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the First-In, First-Out(FIFO) accounting method for calculating the cost basis of your



investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

## **Recommendation of Particular Types of Securities**

As disclosed under the Advisory Business section in this brochure, we invest assets primarily in no-load mutual funds and exchange-traded funds; however, we may recommend other types of investments as appropriate for you. 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 ETFs:** Mutual funds and exchange traded funds (ETFs) 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. Also, 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 do 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 whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

### **Item 9: DISCIPLINARY INFORMATION**

Neither our firm nor any of our employees have any reportable disciplinary information.

**Item 10:****OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Linda Lubitz Boone, CFP® has established a relationship with National Advisors Trust Company, FSB ("NAT") to provide trust services to The Lubitz Financial Group's clients. Though our clients are under no obligation to utilize the services of NAT, we may recommend their services to clients in need of trust services. Linda Lubitz Boone, CFP® has purchased less than five percent (5%) ownership interest in National Advisors Holdings, Inc. ("NAH"), the parent of NAT. As a shareholder of NAH, Linda Lubitz Boone, CFP® may benefit by realizing a profit in the form of dividends or other corporate distributions from NAH. Such affiliation and potential conflict of interest is disclosed to clients in any trust agreement between a client account and NAT.

**Item 11:****CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING****Description of Our Code of Ethics**

The employees of our firm have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The Code is designed to ensure that the high ethical standards long maintained by our firm continue to be applied. The purpose of the Code is to preclude activities which may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct. The excellent name and reputation of our firm continues to be a direct reflection of the conduct of each employee.

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

**Participation or Interest in Client Transactions**

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of 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. A conflict of interest exists

in such cases because we have the ability to trade 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 firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

The Chief Compliance Officer of our firm is Linda Lubitz Boone, CFP®. She reviews all employee trades each quarter. Her trades are reviewed by another qualified person with the firm. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

## **Item 12:           BROKERAGE PRACTICES**

### **Selecting Brokerage Firms**

We do not have any affiliation with custodians or product sales firms. Specific custodian recommendations are made to clients based on their need for such services. We believe that the recommended custodian provides quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by the recommended custodian, including the value of the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of the services the recommended custodian provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere. Typically, accounts are established at Charles Schwab & Co. or Fidelity Investments. Clients' accounts at other custodians may also be managed.

### **Best Execution**

We review the execution of trades at each custodian periodically. Trading fees charged by the custodians are also reviewed on an annual basis. Because the majority of our trades are in mutual funds, only a small proportion are in traded securities. We do not receive any portion of the trading fees.

### **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.

## **Research and Other Benefits**

We maintain agreements with Charles Schwab Institutional, Fidelity Investments, American Funds, JPMorgan, Charles Schwab Trust Company, TIAA Cref, and Nationwide to provide institutional services to our clients. While there is no direct linkage between the investment advice given and affiliation with these organizations, economic benefits are received which would not be received if our firm did not give investment advice to clients and use the services of these organizations. These benefits include: receipt of duplicate client confirmations and bundled duplicate statements, access to a trading desk serving institutional service participants exclusively, ability to have investment management fees deducted directly from client accounts, access to an electronic communications network for client order entry and account information, receipt of compliance publications, and access to mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors. The benefits received from these organizations may or may not depend upon the amount of transactions directed to, or amount of assets custodied by the organization. Periodically, employees of the firm may participate in vendor, mutual fund or custodian sponsored paid-for educational conferences. We may also take advantage of certain group discounts on publications and investment research that is available through the institutional service units. Webcasts are also made available, which cover investment management, practice management, compliance, and marketing updates. Additionally, during the year, we may sponsor various client educational events and seminars, where investment strategies and market conditions, among other topics, are discussed. Periodically, we may co-sponsor these events with mutual fund companies or custodians with which we have a business relationship.

The selection of any company as a custodian for clients is not affected by this nominal credit.

## **Compensation 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**

In limited circumstances, and at our discretion, some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. If you choose to direct our firm to use a particular broker, you should understand that this might prevent our firm from effectively negotiating brokerage commissions on your behalf. This practice may also prevent

our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.

## **Block Trades**

Typically, we do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading") because we invest primarily in mutual funds which do not trade in blocks. Block trade aggregation is determined when purchases or sells for a large number of shares across multiple clients' accounts may have an impact on the security's daily trading volume.

With respect to certain types of securities, pricing may differ based on market conditions on the day of trading. Additionally, fees and/or transaction costs differ based on account types and custodians.

## **Mutual Fund Share Classes**

Mutual funds are sold with different share classes, which carry different cost structures. Each available share class is described in the mutual fund's prospectus. When we purchase, or recommend the purchase of, mutual funds for a client, we select the share class that is deemed to be in the client's best interest, taking into consideration cost, tax implications, and other factors. When the fund is available for purchase at net asset value, we will purchase, or recommend the purchase of, the fund at net asset value. We also review the mutual funds held in accounts that come under our management to determine whether a more beneficial share class is available, considering cost, tax implications, and the impact of contingent deferred sales charges.

## **Item 13: REVIEW OF ACCOUNTS**

### **Account Reviews**

Account reviews are performed on a periodic basis in consultation with the client, at least annually, by the advisor who works with each client. Account reviews may be performed more frequently when market conditions dictate (e.g., market moving events). Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

## Regular Reports

Account reviewers are all Certified Financial Planning Practitioners. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive periodic communications on at least an annual basis. Investment Advisory Agreement clients receive written quarterly updates. The written updates may include a portfolio statement, market commentary, performance for specified periods, client notification, market returns and an asset allocation chart.

Clients also receive monthly statements directly from the custodian. These statements can be received in either paper format or electronic format, as elected by the client.

### **Item 14: CLIENT REFERRALS AND OTHER COMPENSATION**

#### Incoming Referrals

We have been fortunate to receive many client referrals over the years. The referrals come from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. Our firm does not compensate outside referring parties for these referrals. We do compensate our employees for referrals.

#### Referrals Out

We do not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred from our firm.

#### Other Compensation

Please refer to the Brokerage Practices section above for disclosures on research and other benefits we may receive resulting from our relationship with the custodians we recommend.

### **Item 15: CUSTODY**

Our clients' fees are debited directly from our independent custodians' account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from our clients' accounts causes our firm to exercise limited custody over their funds or securities. We do not

have physical custody of any of our clients' funds and/or securities. Our clients will receive account statements from the independent, qualified custodian(s) holding their funds and securities at least quarterly. The account statements from our clients' custodian(s) will indicate the amount of our advisory fees deducted from their account(s) each billing period. Account statements should be reviewed carefully for accuracy. We will also provide a notice to our clients reflecting the amount of advisory fee deducted from their account.

Our clients should compare our notices with the statements from their account custodian(s) to reconcile the information reflected on each statement. Slight discrepancies may be a result of timing on recording of dividends or interest. If you have any questions regarding account statements, or if a statement was not received from the custodian, please contact us directly at the telephone number on the cover page of this brochure.

### **Standing Letters of Authorization, Wire Transfer and/or Check-Writing Authority**

Our firm, or persons associated with our firm, may disburse funds from client accounts to one or more third parties designated, in writing, by the client without obtaining written client consent for each separate, individual transaction, as long as the client has provided us with written authorization to do so. Such written authorization is known as a Standing Letter of Authorization (SLOA). An adviser with authority to conduct such third-party money movements has access to the client's assets, and therefore has custody of the client's assets in any related accounts. However, our firm is not subjected to the requirement for an annual surprise audit, as we otherwise would be by reason of having custody, providing we meet the following safe harbor provisions:

1. We provide a written, signed instruction to the qualified custodian that includes the third party's name and address or account number at a custodian;
2. We are authorized, in writing, to direct transfers to the third party either on a specified schedule or from time-to-time;
3. Our qualified custodians verify our authorization (e.g., signature review) and provide a transfer of funds notice to us promptly after each transfer;
4. We can terminate or change the instruction;
5. We have no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party;
6. We maintain records showing that the third party is not a related party to us nor located at the same address as us; and
7. Our qualified custodian sends us, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

We hereby confirm that we meet the above criteria.

## **Item 16: INVESTMENT DISCRETION**

### **Discretionary Authority for Trading**

We accept discretionary authority to manage securities accounts on behalf of clients. We have the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold in accordance with the client's Investment Policy Statement.

The client approves the custodian to be used and will pay transaction and other fees charged directly by the custodian. We do not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in clients' accounts on their behalf so that we may promptly implement the investment policy that they have approved in writing.

### **Limited Power of Attorney**

A limited power of attorney is a trading authorization for this purpose. The client signs a limited power of attorney so that we may execute the trades that the client has approved.

## **Item 17: VOTING CLIENT SECURITIES**

We will not vote proxies on behalf of client advisory accounts unless otherwise directed by a Corporate Co-Trustee client. Clients are expected to vote their own proxies. If a client requests our assistance with proxies, we may provide recommendations to them; however, it remains their responsibility to vote proxies.

In most cases, a client 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 our client by mail, unless we have authorization to contact 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 condition or impairment 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. We have not filed a bankruptcy petition at any time in the past ten years. Therefore, we are not required to include a financial statement with this brochure.

In late Spring of 2020, the decision was made to apply for a loan from the Small Business Administration under the Paycheck Protection Plan. One of the criteria for application was that current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant. The decision to apply for this loan was based on the market uncertainty at the time. In hindsight, the markets have regained much in value, but the end of the pandemic and the recession it has precipitated are nowhere in sight. Hence the uncertainty remains. The request for the loan was based on the availability of the cash as a low cost loan should our revenue decline precipitously in the future. We believe it was a prudent business decision.

#### **Item 19: REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

This item is not applicable. We are registered with the U.S. Securities and Exchange Commission.

#### **Item 20: ADDITIONAL INFORMATION**

##### **Business Continuity Plan**

###### General

We have a Business Continuity Plan (the Plan) in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

###### Disasters

The Business Continuity Plan covers natural disasters such as snowstorms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, fibernet communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

###### Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office

is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving or working out of an alternative office location.

#### Loss of Key Personnel

Our firm's owner, Linda Lubitz Boone, CFP® is married to Norman M. Boone, CFP®, and Principal at Private Ocean Wealth Management firm in San Francisco. Should Linda become disabled or die, Norman Boone is the successor owner. His experience in managing a wealth management firm extends over 20 years.

#### **Information Security Program**

##### Information Security

We make best efforts to ensure that our client personal and confidential information will be kept confidential. A confidentiality agreement as well as a Quarterly Attestation is included in our practice to work toward this end. Our Policies and Procedures Manual includes an Information Security Program outlining the precautions our firm takes to protect this information.

##### Privacy Notice

We are committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of non-public information that we collect from our clients may include information about personal finances, information about health to the extent that it is needed for the financial planning process, information about transactions between our clients and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help our clients meet their personal financial goals.

With their permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom they have established a relationship. A client may opt out from our sharing information with these non-affiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With our client's permission, we share a limited amount of information with the brokerage firm in order to execute securities transactions on their behalf.

We maintain a secure office to ensure that our client's information is not placed at unreasonable risk. We employ a firewall barrier, in our computer environment, as detailed in our Information Security Program.

We do not provide any personal information to solicitors. We require strict confidentiality in

our agreements with unaffiliated third parties that require access to personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information will be maintained for all those who remain our client and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify a client if our privacy policy is changes. As required by our regulatory agency, we deliver this Privacy Notice to our clients annually, when any changes are made.

### **eMoney Advisor Platform**

The Lubitz Financial Group may provide its clients with access to an online platform hosted by "eMoney Advisor" ("eMoney"). The eMoney platform allows a client to view their complete asset allocation, including Excluded Assets. The Lubitz Financial Group does not provide investment management monitoring, or implementation services for the Excluded Assets. Therefore, we shall not be responsible for the investment performance of the Excluded Assets. The client may choose to engage us to manage some or all of the Excluded Assets pursuant to the terms and conditions of an Investment Advisory Agreement between The Lubitz Financial Group and the client. The eMoney platform also provides access to other types of information, including financial planning concepts, which should not, in any manner whatsoever, be construed as services, advice, or recommendations provided by The Lubitz Financial Group. We shall not be held responsible for any adverse results a client may experience if the client engages in financial planning or other functions available on the eMoney platform without our assistance or oversight.

### **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.

ANY QUESTIONS: The Lubitz Financial Group's Chief Compliance Officer, Linda Lubitz Boone, remains available to address any questions that a client or prospective client may have regarding the above disclosures, conflicts of interest and other arrangements. She can be reached at 305 670-4440 or LindaL@LubitzFinancial.com.