

**Item 1 - Cover Page**

**Form ADV Part 2A Disclosure Brochure and Brochure Supplement  
March 2, 2021**

**Lighthouse Financial LLC**

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This brochure and brochure supplement provides information about the qualifications and business practices of Lighthouse Financial LLC. If you have any questions about the contents of this brochure, please contact us at (303) 444-1818. Our website is: [www.lighthousefinancialLLC.com](http://www.lighthousefinancialLLC.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Lighthouse Financial LLC is in the process registering with the State of Colorado and withdrawing their registration with the Securities and Exchange Commission. Registration of an investment adviser does not imply a certain level of skill or training.

Additional information about Lighthouse Financial LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 - Material Changes**

This item discusses only specific material changes that are made to the Brochure since the Firm's last annual update. Since the Firm's last update dated June 28, 2019, Lighthouse Financial LLC is in the process of registering with the State of Colorado and withdrawing their registration with the Securities and Exchange Commission. The Firms Advisory Business has also changed to offering Financial Planning Only.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year, which is December 31. We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

### **Full Brochure Available**

Whenever you would like to receive a complete copy of the Brochure, please contact us by telephone at 303-444-1818.

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## Item 4 - Advisory Business

### A. The Firm and Principal Owners

Lighthouse Financial, LLC (LH), ("Lighthouse", "LH," or "the Firm") has been a registered investment adviser with the SEC since December of 1999. Lighthouse Financial, LLC is in the process registering with the State of Colorado and withdrawing their registration with the Securities and Exchange Commission. On April 1, 2019, Shannon Ross became the CEO of Lighthouse Financial, LLC and all of the membership interests of Lighthouse Financial, LLC were acquired by Lighthouse Financial Enterprises LLC ("Lighthouse Enterprises"), a Colorado limited liability company that serves as a holding company for the firm.

#### Types of Services Offered

##### Financial Planning Services:

LH offers complete financial planning services. LH financial planning services include defining the client's personal goals; evaluate the client's existing financial circumstances and developing coordinated strategies to meet the client's financial objectives. LH financial plans include a written and online presentation of the client's objectives and goals; a summary of LH assumptions used in preparing the client's financial analyses, discussions addressing each of the client's objectives and addressing the client's ability to achieve each goal and recommendations by detailing the steps the client must take to achieve the client's goals. The client is responsible for the timely production of documents needed by Lighthouse.

LH financial planning services may include the following areas:

##### Retirement Planning

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

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

##### Income and Expense, Net Worth, and Tax Estimates

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

##### Education Funding Planning

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

#### *Business Planning*

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

#### *Insurance Planning*

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

#### *Estate Planning*

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

#### *Charitable Gift Planning*

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

### **B. Level of Services Provided to Clients with managed investments**

LH offers Financial Planning services only.

LH Advisors discuss and advise the client on the types of investments and investment strategies based upon the client's financial situation, risk profile and financial goals. This process requires LH Advisors to collect information about the client through personal interviews and completion of an investor profile.

### **C. Assets Under Management**

LH offers Financial Planning services only. This Firm has zero assets under management.

## Item 5 - Fees and Compensation

### Investment Advice and Financial Planning Fees

The LH fee for providing financial planning services generally falls within a range of one hundred dollars (\$100.00) to four thousand dollars (\$4,000.00), depending on the complexity and size of the portfolio, and the number of hours required to develop a financial plan. The LH hourly fees range from seventy-five dollars (\$75.00) an hour for administrative staff to two hundred fifty dollars (\$250.00) an hour for the financial planner time. The fee must be agreed upon in advance. One half of the agreed upon fee is due prior to beginning the advisory or financial planning work. The remaining balance is due upon the delivery of the LH advisory or financial planning work. LH will deliver the agreed upon plan within six (6) months of the date of the signed advisory agreement. The fee may include further guidance in the implementation of the plan recommendations and includes regular updates or reviews of the client's plan for one year.

#### **A. Prepayment of Fees**

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

#### **B. Compensation for Sale of Securities or Other Investment Products**

LH does not charge commissions in addition to the LH Financial Planning fees. However, some mutual funds distribute payments to broker-dealers pursuant to a 12b-1 distribution plan, or other such plan, as compensation for brokerage services. In their capacity as broker-dealer agents acting on the client's behalf, LH Advisors may be eligible to receive such service fees and compensation. In some instances, a load-waived mutual fund may pay a 12b-1 service fee. For taxable accounts, LH receives the 12b-1 fee, but it is generally LH policy that Advisors not receive 12b-1 fees on mutual funds recommended in taxable accounts. For ERISA qualified accounts (IRA's, 403b plans, 401k plans and other ERISA plans), neither Lighthouse nor the Advisor receives 12b-1 fees. These fees are either retained by the broker dealer (CAMBRIDGE INVESTMENT RESEARCH, INC.) or are offset from monthly asset management fees.

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

The IAR of the Firm is also a licensed insurance agent for un-affiliated insurance companies. If you elect to implement the plan or buy insurance through the Firm's IAR, she will receive a commission from

insurance sales, which includes life, accident and disability insurance and fixed annuities. This presents a conflict of interest and financial incentive to the extent that the IAR recommends the purchase of an insurance product to you, which results in a commission being paid to the IAR as an insurance agent. This conflict is mitigated by the fact that the Firm, as well as the IAR as she has a fiduciary responsibility to place the best interest of the client first and will act in accordance with that responsibility. You are under no obligation to purchase insurance products through the insurance companies with whom we are licensed agents. Clients have the option to purchase investment products that are recommended by our IARs through other brokers or agents not affiliated with the Firm. It is our fiduciary duty as an investment advisor to provide advice and investment recommendations that are in the best interest for our client and to put our clients' interests ahead of our own.



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

LH and our supervised persons do not charge performance-based fees.

## **Item 7 - Types of Clients**

LH offers Financial Planning services only. These services are offered to individuals, trusts, estates and qualified non-qualified retirement plans.

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

### **A. Method of Analysis and Investment Strategy**

LH offers Financial Planning services only. LH has different strategies available to meet the client's needs that generally encompass financial goals from accelerated growth, growth, moderate, conservative, strategic income, strategic, custom and defensive approaches. We utilize a risk tolerance questionnaire, completed by the client, that assists us in developing an appropriate financial plan.

### **B. Material Risks Involved for Each Significant Investment Strategy**

LH offers Financial Planning services only.

All asset management program strategies involve a risk of loss that clients should understand and be prepared to bear. Further, given the very wide range of investments in which a client can be allocated through a particular investment strategy, there is similarly a very wide range of risks to which a client's assets can be exposed. The particular risks to which a specific client might be exposed will depend on the specific investment strategies incorporated into that client's portfolio. For a detailed description of the material risks of investing in a particular product, the client should, on or prior to investing, also refer to such product's prospectus or other offering materials.

### **C. Material Risks Associated with Certain Securities**

There are certain risks associated with investments that may result in a loss. Clients who have short term needs for liquidity (less than one year) should not invest those funds in a managed account. Lighthouse offers Financial Planning services only so if a client invests assets primarily in ETF's (exchange traded funds), mutual funds, FDIC insured instruments and individual stocks and bonds; the client should be aware of some of the risks associated with these investments are as follows:

1. The mutual fund or ETF could be closed or liquidated.
2. Mutual funds, ETF's, stocks and bonds are subject to a decrease in value due to market fluctuations.
3. The underlying companies included in a mutual fund or ETF or the individual stock or bond can be merged, sold, liquidated or go bankrupt.
4. The government may exercise a circuit breaker on any exchange and stop all trading for a period of time.
5. There can be a change in management at all levels (individual company, fund level, Lighthouse Financial) which may have an impact on performance.
6. There may be a lack of liquidity from investments in individual bonds or CD's.

### **D. Investment Strategies**

LH offers Financial Planning services only, Clients should be aware of the Methods of Analysis, Investment Strategies, Material Risks of Strategies and Material Risks of Certain Securities when investing.

## **Item 9 - Disciplinary Information**

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

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

### **A. Registered Broker-Dealers and Other Affiliations**

LH is not a registered broker-dealer. LH persons are investment advisor representatives with Cambridge Investment Research Advisors, Inc., a Registered Investment Adviser. Lighthouse Financial, LLC and Cambridge are not affiliated. LH persons are also registered representatives with Cambridge Investment Research, Inc. Securities offered through Registered Representatives of Cambridge Investment Research, Inc. a Broker/Dealer, member FINRA/SIPC. As a result of these transactions, they receive commissions. A conflict of interest exists as these commissionable sales create an incentive to recommend products based on the compensation earned. To mitigate this potential conflict, our firm will act in the client's best interest. Our firm is not registered, nor does it have an application pending to register, as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities. Our firm does not directly or indirectly receive compensation for the recommendation or selection of other investment advisers.

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

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

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

LH does not have any material relationships with any affiliated companies. Cambridge Investment Research Advisors, Inc is an unaffiliated Registered Investment Advisor and potential conflicts of interest are discussed in this Brochure.

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

### **D. Conflicts of Interest from Arrangements with Other Investment Advisers**

LH offers Financial Planning services only. Shannon Ross serves as the CCO of Lighthouse Financial. We believe Ms. Ross has sufficient time to devote to her role as CCO at Lighthouse and that the time commitment does not pose a conflict of interest. Ms. Ross does not receive any incentive-based or bonus compensation that would otherwise pose a conflict of interest with her duties at Lighthouse.

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

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

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

#### **Scope**

The Code covers all directors, officers, partners, employees, and any other persons who are under the Firm's supervision and control.

#### **Fiduciary Duties**

This Code of Ethics is based on the principal that LH and its employees owe a fiduciary duty to its clients. Accordingly, LH and its employees must avoid activities, interests and relationships that might interfere or appear to interfere with making decisions in the best interests of our advisory clients.

#### **Personal Securities Trading**

All Employees are subject to certain trading restrictions. In addition, all employees must report their personal securities transactions quarterly and personal securities holdings annually.

#### **Code of Conduct**

The Code contains specific topics designed to reflect the Firm's commitment to ethical conduct. You may receive a copy of our Code of Ethics by contacting Melissa Starr at 370 Interlocken Blvd., Suite 525, Broomfield, CO 80021-3496, (303) 444-1818.

### **B. Recommending Securities in Which We Hold a Financial Interest**

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

### **C. Lighthouse Employees Investing in the Same Securities as Clients**

LH offer Financial Planning services only. Our policy is to prohibit supervised persons from purchasing or selling securities for their own accounts in any manner that might conflict with our clients.

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

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

See Item 11(C), above.

## **Item 12 - Brokerage Practices**

### **A. Criteria for Recommending Brokers to Clients**

LH offers Financial Planning services only. Therefore, LH does not recommend Brokers or Broker/Dealers to its client. In the event that a client requests advice on a Broker/Dealer, LH would suggest Cambridge Investment Research, Inc.

### **B. Client Directed Brokerage**

LH offers Financial Planning services only. Client may utilize any Broker/Dealer of their choice.

### **C. Trade Aggregation**

This item is not applicable to LH.

## **Item 13 - Review of Accounts**

### **A. Review of Client Accounts**

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

Lighthouse requires each Adviser to review client accounts for consistency with client objectives, guidelines and agreements. In addition, our Chief Compliance Officer reviews reports, contracts, and financial plans Lighthouse delivers to clients.

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

Factors that may cause our Chief Compliance Officer to review a client's plan more frequently may include volatile market periods and changes in your objectives.

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

LH offer Financial Planning services only. Upon completion, we deliver the financial plan to our client.



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

### **A. Economic Benefits from Third Parties**

LH offers Financial Planning services only. It is unlikely, but this would only apply if LH recommends a third party manager to a Financial Planning client.

### **B. Compensation to Third Parties for Referrals**

We do not have any third-party solicitors or solicitation agreements.

## **Item 15 - Custody**

LH offer Financial Planning services only. Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented. LH does not maintain custody over client accounts.

## **Item 16 - Investment Discretion**

LH offers Financial Planning services only. Therefore, LH does not have discretionary authority.

### **Item 17 - Voting Client Securities**

Lighthouse does not and will not accept the proxy authority to vote on behalf of clients. In addition, Lighthouse will not provide advice to clients about how to vote proxies. If we receive a proxy, we will forward to the client.

## **Item 18 - Financial Information**

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

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