

Lighthouse Financial Advisors, Inc.
d/b/a: Lighthouse Wealth Management
June 18, 2020
FORM CRS

Lighthouse Wealth Management is registered with the Securities and Exchange Commission as an investment adviser and, as such, we provide advisory services rather than brokerage services. Brokerage and investment advisory services and fees differ and it is important for you, our client, to understand the differences. Additionally, free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing. This document is a summary of the services and fees we offer to "retail" investors, which are natural persons who seek or receive services primarily for personal, family, or household purposes.

What investment services and advice can you provide me?

We offer the following investment advisory services to retail investors: **Portfolio Sponsor and Manager to a Wrap Fee Program; Portfolio Management Services; Financial Planning Services; Pension Consulting Services.** Detailed information regarding our services, fees and other disclosures can be found in our Form ADV Part 2A, Items 4, 7, 8, 13, and 16, and Form ADV Part 2 Appendix 1, Items 4, 5 and 9, Brochures by clicking this link <https://adviserinfo.sec.gov/firm/brochure/118060>.

Account Monitoring: If you open an investment account with our firm, as part of our standard service we will monitor your investments on a continuous basis.

Investment Authority: We manage investment accounts on a **discretionary** basis whereby **we will decide** which investments to buy or sell for your account. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing. We offer **non-discretionary** investment management services whereby we will provide advice, but **you will ultimately decide** which investments to buy and sell for your account. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

Investment Offerings: We provide advice on various types of investments. Our services are not limited to a specific type of investment or product.

Account Minimums and Requirements: In general, we target a minimum account size of \$100,000 for advisory account services. Clients with less than \$500,000 in assets under management will pay a monthly fee of \$100 for access to certain tax services and/or estate planning services in our Wrap Fee Program. At our discretion we may waive any stated or targeted minimums.

Key Questions to Ask Your Financial Professional

- **Given my financial situation, should I choose an investment advisory service? Why or Why Not?**
- **How will you choose investments to recommend to me?**
- **What is your relevant experience, including your licenses, education and other qualifications?**
- **What do these qualifications mean?**

What fees will I pay?

The following summarizes the principal fees and costs associated with engaging our firm for investment advisory services. For detailed information, refer to our Form ADV Part 2A, Items 5 and 6, and Form ADV Part 2 Appendix 1, Item 4, Brochures by clicking this link <https://adviserinfo.sec.gov/firm/brochure/118060>.

- **Wrap Program Fees** - Payable quarterly in advance, based on the net value of the assets in your investment portfolio at the end of the immediately preceding calendar quarter. Asset-based fees associated with a wrap fee program generally include most transaction costs and fees to a broker-dealer or bank that has custody of the assets; therefore, the asset-based fee is higher than a typical asset-based advisory fee. Since our firm pays the transaction costs associated with securities transactions in your account, we have an incentive to minimize the trading in your account;
- **Hourly Fees and Fixed Fees** - A good faith deposit is required with the remainder of the fees payable in arrears;
- **Asset Based Fees** - Payable monthly or quarterly in arrears based on the value of the pension plan assets as determined by an authorized third party. Since the fees we receive are asset-based (i.e. based on the value of your account), we have an incentive to increase your account value which creates a conflict.

- Examples of the most common fees and costs applicable to our clients are:
 - Custodian and third party administrator fees; Account maintenance fees and trade away fees; Fees related to mutual funds and exchange-traded funds; Other product-level fees associated with your investments; and Fees related to variable annuities, including surrender charges.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

Key Questions to Ask Your Financial Professional

- **Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?**

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.

- **Third-Party Payments:** Persons providing advice on behalf of our firm are licensed as independent insurance agents or registered representatives with a broker-dealer. These persons will earn commission-based compensation for selling insurance products or compensation in connection with the purchase and sale of securities or other investment products. Certain persons associated with our firm provide tax advice and preparation services through Lighthouse Tax Services, LLC, an affiliated entity. Certain person providing investment advice on behalf of our firm are licensed attorneys and provide legal services through Estate Legal Services, LLC, a law firm. Compensation earned by these persons is separate and in addition to our advisory fees. These practices present a conflict of interest because they have an incentive to recommend investment products, tax related and/or legal services based on the compensation received rather than solely based on your needs.

Refer to our Form ADV Part 2A, Items 5, 10, 12 and 14, and Form ADV Part 2 Appendix 1, Items 4 and 9, Brochures by clicking this link <https://adviserinfo.sec.gov/firm/brochure/118060> to help you understand what conflicts exist.

Key Questions to Ask Your Financial Professional

- **How might your conflicts of interest affect me, and how will you address them?**

How do your financial professionals make money?

The financial professionals servicing your account(s) are compensated by being paid a salary and bonus based on factors including: the amount of client assets they service and the revenue the firm earns from the person's services or recommendations. Certain financial professionals are compensated based on additional products or services sold (i.e. differential compensation). Additionally, certain individuals associated with the firm have received forgivable loans from First Allied. The forgivable loans are intended to assist the investment adviser representatives with start-up costs for affiliated entities, transition costs and marketing.

Do you or your financial professionals have legal or disciplinary history?

Yes, our firm or our financial professionals currently have legal or disciplinary history to disclose. These events are disclosed in either our Form ADV or the specific individual's Form U4. These documents can be found by going to Investor.gov/CRS.

Key Questions to Ask Your Financial Professional

- **As a financial professional, do you have any disciplinary history? For what type of conduct?**

You can find additional information about your investment advisory services and request a copy of the relationship summary at 301-865-9740 or click the link provided <https://adviserinfo.sec.gov/firm/brochure/118060>.

Key Questions to Ask Your Financial Professional

- **Who is my primary contact person?**
- **Is he or she a representative of an investment adviser or a broker-dealer?**
- **Who can I talk to if I have concerns about how this person is treating me?**