

# Lighthouse Wealth Management, Inc. Form CRS – Client Relationship Summary

6/1/2020

## Introduction

Lighthouse Wealth Management, Inc. is an investment adviser registered with the Securities and Exchange Commission. This document gives you a summary of the services we provide and how you pay us. We provide **investment advisory accounts and services**. We **do not** provide brokerage accounts and services. The broker-dealer that we use is Charles Schwab.

Brokerage and investment advisory services and fees differ and it is important for you to understand the differences. The SEC offers free and simple tools to research firms and financial professionals at [www.investor.gov/CRS](http://www.investor.gov/CRS) which also provides information tailored to educate retail investors about financial professionals.

## What investment services and advice can you provide me?

We provide investment management services to retail clients, which include discussing your goals, designing your investment strategy, buying and selling investments, and **continuously monitoring** your accounts. We also provide additional services to our investment clients on request for no additional fees, including financial planning, tax planning, retirement planning and estate planning.

Our firm provides investment services on a discretionary basis, meaning we don't ask you before we buy or sell in your account. You sign an investment advisory agreement giving us this authority. Our authority ends when that agreement is terminated.

We accept new clients with a minimum of \$250,000 of investable assets.

For additional information about our fees and services please see [www.lightwealth.com](http://www.lightwealth.com) for our Form ADV, 2A brochure (Items 4 and 7 of Part 2A or Items 4.A. and 5 of Part 2A Appendix 1

### *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?

Our fees are disclosed in our Investment Advisory Agreement, our Form ADV Part 1A, Item 5.E. and more fully described in our Form ADV Part 2A, Items 5.A., B., C., and D.

Our firm charges fees for the investment services listed above based on the value of the assets in the accounts. Our fees are calculated and collected quarterly. You sign a form authorizing us to debit our fees directly from your investment accounts.

In addition, some investments, such as mutual funds, have built in fees that could affect the value of your account over time. The broker-dealer (custodian) can charge fees in addition to our fees that could also affect the value of your account over time. The custodian we use is Charles Schwab.

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 ask questions and make sure you fully understand what fees and costs you are paying.

### **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. Since our firm charges asset based fees on investment accounts, more assets in the account will cause you to pay more in fees. Therefore, we have an incentive to encourage you to increase the amount of money invested in those accounts, creating a conflict of interest. Conversely, if the assets in your account go down so do our fees. While this fee structure does create a conflict, we believe it is the most fair and beneficial to our clients because we do well when you do well.

The majority of the money we make comes from a percentage of assets under management, as stated above. Other ways our firm makes money is by providing services other than those listed above. We charge separate fees for those services. They include:

- Tax preparation for investment clients, with fees based on the complexity of the return.
- Financial planning for **non-investment** clients for an hourly fee. (As stated above, our investment clients receive financial planning for no additional fee).
- Term life insurance policy sales, which pay commissions. All commissions go to the firm and not to any individual agent. Life insurance sales are a very minor part of our business providing less than 0.5% of our annual revenue, and are done only at clients' requests as a convenience for them.
- 401(k) consulting for participant directed plans, with fees based on the total assets in the plan.

### **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?**

All of our employees are paid a fixed salary based on their education and experience. They do not receive any sales commissions on investment products. Any commissions from life insurance sales go to the firm and not to any individual.

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

Our firm has no disciplinary history. Visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for a free and simple search tool to research our firm and our financial professionals.

### **Questions to ask your financial professional:**

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

## **Additional Information**

You can find additional information about our services and request a copy of the relationship summary by visiting [www.lightwealth.com](http://www.lightwealth.com), emailing us at [csmeltzer@lightwealth.com](mailto:csmeltzer@lightwealth.com) or calling us at 419-496-0016.

### **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?*