

SUMMARY OF MATERIAL CHANGES LETTER

Dear Client,

1/24/2018

This communication is a Summary of Material Changes which outlines material changes to our firm's disclosure brochure, Form ADV Part 2A, since our last annual brochure update. The full current version of our disclosure brochure is available to you upon request by contacting our firm at [301-865-9740], or via email at ed@lighthousewlth.com. You may also find additional information about our firm at our website www.lighthousewlth.com and through the Investment Adviser Public Disclosure system at www.adviserinfo.sec.gov.

Additionally, we would like to make you aware of the following:

1. We are required to adopt a code of ethics and provide a copy of our code of ethics to clients upon request. The current version of our code of ethics is available to you by contacting our firm at the telephone number or email address listed above.
2. Contact your advisory representative immediately if you have had any changes in your investment objectives or financial circumstances. Any changes could impact how we manage your portfolio and will become part of your client file. You should also contact us at any time during the year if your investment goals or financial circumstances change.
3. Should you hold equity securities in your portfolio, you will be responsible for the voting of proxies with regard to those investments. We do not vote client proxies.
4. Below you will find a copy of our current privacy policy, which we are required to deliver to all existing clients annually.
5. Finally, included you will find Updated ADV Part 2B for Thomas Kozlowski, Andrew Wilson, Edward Kozlowski and Henry Becker.

As always, we welcome your questions and comments at any time.

Regards,

Lighthouse Wealth Management

Summary of Material Changes

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.

The following summary describes changes to our brochure since our annual updating amendment filed with regulators on February 2, 2017.

We are no longer affiliated with Lighthouse Tax & Business Consulting Business ("LTBC"). All references related to LTBC have been removed from this Brochure.

- We have clarified that asset management services are only available through our Wrap Fee Program through the COMPASS Program and Navigator Program. For more information concerning the Wrap Fee Program, see *Appendix 1* to this Brochure.
- We added language disclosing economic benefits we receive from the institutional platform of your account custodian, and specific economic benefits from First Allied, which reads as follows:
 - As a registered investment adviser, we have access to the institutional platform of your account custodian. As such, we will also have access to research products and services from your account custodian and/or other brokerage firm. These products may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms, and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

We have also entered into an agreement with First Allied, whereby First Allied has provided funding to our firm, and certain investment adviser representatives, in the form of forgivable loans, for the purpose of establishing and growing our investment advisory business. As part of these agreements, our firm has agreed to use First Allied's brokerage and custody services for at least a certain period of time. These arrangements create a conflict of interest in that we have a financial incentive to recommend First Allied's brokerage and custody services to our clients.

Notwithstanding our requirement to use First Allied and our agreement with First Allied, we believe that First Allied provides quality execution services based on several factors, including, but not limited to, the ability to provide professional services, reputation, experience and financial stability.

- We receive economic benefits from First Allied for providing investment advice or other advisory services to you. Through our use of First Allied, we are entitled to receive economic benefits. As part of our fiduciary duty, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm from a non-client in

and of themselves creates a potential conflict of interest and may influence our choice in providing services to your account. This arrangement does not cause our clients to pay any additional transaction fees beyond those that are traditionally charged by our firm and/or other service providers.

- Forgivable Loan

First Allied provided financial assistance to our firm by establishing a forgivable loan with certain investment adviser representatives of Lighthouse Wealth Management. The forgivable loans are intended to assist the investment adviser representatives with start-up costs for affiliated entities, transition costs and marketing. Under the terms of the First Allied forgivable loan, the loan plus accrued interest shall be forgiven, so long as no Event of Default has occurred, during the length of the loan, which is over a 6 year period. Clearing and custodial arrangements with First Allied, any of First Allied's affiliates as described herein, do not and will not in any way affect, or relate or pertain to, the First Allied forgivable loan.

Our clients do not pay more for investment transactions effected and/or assets maintained at First Allied as result of these arrangements. There is no corresponding commitment made by our Firm to.

- First Allied or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement. Refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with your account custodian.

If you have questions or would like a copy of our most recent brochure, you can request one free of charge at any time by contacting us at (301) 865-9740 or 164 W. Main Street, Suite F, New Market, Maryland 21774. You can also visit our website at www.lighthousewlth.com for an online copy.

PRIVACY NOTICE

Lighthouse Financial Advisors, Inc. dba Lighthouse Wealth Management

Lighthouse Financial Advisors, Inc. dba Lighthouse Wealth Management has adopted this privacy policy with recognition that protecting the privacy and security of the personal information we collect from you is an important responsibility. To provide services to you in an accurate and efficient manner, we must collect and maintain certain personal information about you. We want you to know what information we collect and how we use and safeguard that information.

Information We Collect: We collect certain non-public information about you ("Customer Information"). The essential purpose for collecting Customer Information is to allow us to provide advisory services to you. Customer Information we collect may include:

- Information that you provide on applications or other forms. This Customer Information may include personal and household information such as income, spending habits, investment objectives, financial goals, statements of account, and other records concerning your financial condition and assets, together with information concerning employee benefits and retirement plan interests, wills, trusts, mortgages and tax returns.
- Identifying information such as your name, age, address, social security number, etc.
- Information about your transactions with us, or others (e.g. broker/dealers, clearing firms, or other chosen investment sponsors).
- Information we receive from consumer reporting agencies (e.g. credit bureaus), as well as other various materials we may use to provide an appropriate recommendation or to fill a service request.

Data Security: We restrict access to Customer Information to those representatives and employees who need the information to perform their job responsibilities within our Firm. We maintain agreements, as well as physical, electronic, and procedural securities measures that comply with federal regulations to safeguard Customer Information about you.

Information We Disclose: As a rule, we do not disclose your non-public personal information we collect to others. However, because we rely on certain unaffiliated third parties for services that enable us to provide our advisory services to you, such as our attorneys, other consultants, brokers, and custodians who, in the ordinary course of providing their services to us, may require access to your information, it may be necessary to share non-public personal information with certain third parties.

Former Clients: If you decide to close your account(s) or become an inactive customer, we will adhere to our privacy policies, which may be amended from time to time.

Changes to Our Privacy Policy

Except as required or permitted by law, we do not share confidential information about you with non-affiliated third parties. In the unlikely event there were to be a change in this fundamental policy that would permit or require additional disclosures of your confidential information, we will provide written notice to you, and you will be given an opportunity to direct us as to whether such disclosure is acceptable.

Questions: If you have questions about this privacy notice or have a question about the privacy of your customer information please call Ed Kozlowski at (301) 865-9740.