



1635 Grove Drive  
Celina, Texas 75009

**Form ADV Part 2A – Firm Brochure**

214-267-9252 – Office

Dated March 14, 2024

[www.laughterfinancial.com](http://www.laughterfinancial.com)

This Brochure provides information about the qualifications and business practices of Laughter Financial, LLC. If you have any questions about the contents of this Brochure, please contact us at 214-267-9252. 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.

Laughter Financial is registered as an Investment Adviser with the State of Texas. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about Laughter Financial, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) which can be found using the firm's identification number 301316.

## ITEM 2: MATERIAL CHANGES

This Brochure, dated March 4, 2024 amends our last annual update, dated March 30, 2023. There have been material changes to this Form ADV, Part 2A since our last annual update of this Brochure.

- Item 12: Brokerage Practices – change of custodian
- Item 14: Client Referrals and Other Compensation – custodian benefits
- Item 15: Custody – change of custodian
- Item 5: Removed Student Loan Planning

At any time, you may view the current Brochure online at the SEC's Investment Adviser Public Disclosure website <http://www.adviserinfo.sec.gov> by searching for our firm name or by our CRD number 301316.

You may also request a copy of this Brochure at any time, by contacting us at 214-267-9252 or via email at [molly@laughterfinancial.com](mailto:molly@laughterfinancial.com).

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## ITEM 4: ADVISORY BUSINESS

### **Description of Advisory Firm**

Laughter Financial, LLC ("LF" or "we") has been registered as an investment adviser with the State of Texas since May 2019. LF is wholly owned and controlled by Molly C.F. Laughter. As of December 31, 2023, Laughter Financial, LLC had \$14,735,805 in discretionary assets under management ("AUM"). We have no non-discretionary AUM.

### **TYPES OF ADVISORY SERVICES**

#### **Comprehensive and Continuous Financial Planning**

This service involves working one-on-one with a Laughter Financial, LLC planner to first create a financial plan, then implement and update that plan over an extended period of time. By paying a fixed monthly or quarterly fee, clients get uninterrupted access to a planner who will work with them to develop and implement their plan. The planner will monitor the plan, recommend any changes and ensure the plan is up to date.

Upon desiring a comprehensive plan, a client will be taken through establishing their goals and values around money. They will be required to provide information to help complete the following areas of analysis: net worth, cash flow, insurance, employee benefits, retirement planning, investments, college planning and estate planning. Once the client's information is reviewed, their plan will be built and analyzed, and then the findings, analysis and potential changes to their current situation will be reviewed with the client. Clients subscribing to this service will receive a written or an electronic report, or electronic access to financial planning software, providing the client with a detailed financial plan designed to achieve his or her stated financial goals and objectives.

The plan and the client's financial situation and goals will be monitored throughout the year and follow-up phone calls and emails will be made to the client to confirm that any agreed upon action steps have been carried out. On at least an annual basis, there will be a full review of this plan to ensure its accuracy and ongoing appropriateness. Any needed updates will be implemented at that time.

#### **Financial Planning**

We provide individual or project-based financial planning services on topics such as cash flow and debt management, retirement planning, risk management, college savings, work benefits, and estate and incapacity planning. This includes one-time comprehensive financial plans.

Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values, and withdrawal plans. The key defining aspect of financial planning is that through the financial planning process, all questions, information, and analysis will be considered as they affect and are affected by the entire financial and life situation of the client. Clients purchasing this service will receive a written or an electronic report, providing the client with a detailed financial plan designed to achieve his or her stated financial goals and objectives.

In general, the financial plan will address any or all of the following areas of concern. The client and advisor will work together to select the specific areas to cover. These areas may include, but are not limited to, the following:

- **Cash Flow and Debt Management:** We will conduct a review of your income and expenses to determine your current surplus or deficit along with advice on prioritizing how any surplus should be used or how to reduce expenses if they exceed your income. Advice may also be provided on which debts to pay off first based on factors such as the interest rate of the debt and any income tax ramifications. We may also recommend what we believe to be an appropriate cash reserve that should be considered for emergencies and other financial goals, along with a review of accounts (such as money market funds) for such reserves, plus strategies to save desired amounts.
- **Financial Goals:** We will help clients identify financial goals and develop a plan to reach them. We will identify what you plan to accomplish, what resources you will need to make it happen, how much time you will need to reach the goal, and how much you should budget for your goal.
- **Investment Analysis:** This may involve developing an asset allocation strategy to meet clients' financial goals and risk tolerance, providing information on investment vehicles and strategies, reviewing employee stock options, as well as assisting you in establishing your own investment account at a selected broker/dealer or custodian. The strategies and types of investments we may recommend are further discussed in Item 8 of this brochure.
- **College Savings:** Includes projecting the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for you to save the desired amount. Recommendations as to savings strategies are included, and, if needed, we will review your financial picture as it relates to eligibility for financial aid or the best way to contribute to grandchildren (if appropriate).
- **Business Planning:** We provide consulting services for clients who currently operate their own business, are considering starting a business, or are planning for an exit from their current business. Under this type of engagement, we work with you to assess your current situation, identify your objectives, and develop a plan aimed at achieving your goals.
- **Employee Benefits Optimization:** We will provide review and analysis as to whether you, as an employee, are taking the maximum advantage possible of your employee benefits.
- **Estate Planning:** This usually includes an analysis of your exposure to estate taxes and your current estate plan, which may include whether you have a will, powers of attorney, trusts, and other related documents. Our advice also typically includes ways for you to minimize or avoid future estate taxes by implementing appropriate estate planning strategies such as the use of applicable trusts.

*We always recommend that you consult with a qualified attorney when you initiate, update, or complete estate planning activities. We may provide you with contact information for attorneys who specialize in estate planning when you wish to hire an attorney for such purposes. From time-to-time, we will participate in meetings or phone calls between you and your attorney with your approval or request.*

- **Insurance:** Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home, and automobile.
- **Retirement Planning:** Our retirement planning services typically include projections of your likelihood of achieving your financial goals, and typically focus on financial independence as the primary objective. For situations where projections show less than the desired results, we may make recommendations, including those that may impact the original projections by adjusting certain variables (e.g., working longer, saving more, spending less, taking more risk with investments).

If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.

- **Risk Management:** A risk management review includes an analysis of your exposure to major risks that could have a significant adverse impact on your financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance ("self-insuring").
- **Tax Planning Strategies:** Advice may include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, we may make recommendations on which type of account(s) or specific investments should be owned based in part on their "tax efficiency," with consideration that there is always a possibility of future changes to federal, state or local tax laws and rates that may impact your situation.

*We recommend that you consult with a qualified tax professional before initiating any tax planning strategy, and we may provide you with contact information for accountants or attorneys who specialize in this area if you wish to hire someone for such purposes. We will participate in meetings or phone calls between you and your tax professional with your approval.*

## **Educational Seminars and Speaking Engagements**

We may provide seminars on an "as announced" basis for groups seeking general advice on investments and other areas of personal finance. The content of these seminars will vary depending upon the needs of the attendees. These seminars are purely educational in nature and do not involve the sale of any investment products. Information presented will not be based on any individual's

person's need, nor does Laughter Financial, LLC provide individualized investment advice to attendees during these seminars.

### **Investment Advisory Services**

We offer clients the option of managing individually tailored investment portfolios. Upon client request and approval, our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we decide together on the right asset allocation to accomplish the goals and objectives. We may also review and discuss a client's prior investment history, as well as family composition and background.

Account supervision is guided by the stated objectives of the client (e.g., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. Fees pertaining to this service are outlined in Item 5 of this brochure.

### **Use of Third-Party Managers, Outside Managers, or Sub-Advisors (TAMPs)**

Clients are not required to use Laughter Financial for Investment Advisory Services. We may suggest the use of Third-Party Managers, Outside Managers, or Sub-Advisors (TAMPs) for portfolio management services. We assist clients in selecting an appropriate allocation model, completing the Outside Manager's investor profile questionnaire, interacting with the Outside Manager and reviewing the Outside Manager. Our review process and analysis of outside managers is further discussed in Item 8 of this Form ADV Part 2A. Additionally, we will meet with the client on a periodic basis to discuss changes in their personal or financial situation, suitability, and any new or revised restrictions to be applied to the account. Fees pertaining to this service are outlined in Item 5 of this brochure.

### **Client Tailored Services and Client Imposed Restrictions**

We offer the same suite of services to all of our clients. However, specific client financial and investment plans and their implementation are dependent upon the inputs provided by the client, their goals, and the plan most suitable. Financial Plans outline each client's current situation (income, tax levels, and risk tolerance levels, overall planning goals) and are used to construct a client specific plan to aid in the selection of a portfolio and planning strategy that matches restrictions, needs, and targets.

### **Wrap Fee Programs**

We do not participate in wrap fee programs.

## **ITEM 5: FEES AND COMPENSATION**

We charge fees based on each client's requirements for our services. Each client executes an investment advisory contract with us outlining the services we will provide and the fees that we will charge for the services.

Our fees are negotiable, taking into consideration factors such as the amount of assets we will manage for a client, the complexity of a client's financial plan, the type and amount of services requested, and any special circumstances.

Please note, unless a client has received the firm's disclosure brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the client within five (5) business days of signing the contract without incurring any advisory fees. How we are paid depends on the type of advisory service we are performing. Please review the fee and compensation information below.

Our full-service approach to building and maintaining wealth includes both investment advisory services and comprehensive financial planning uniquely tailored to the individual needs of each client. Thus, our standard client agreement includes both services and fees are charged based on the below fee schedule. Utilization of our services is at the discretion of the client and, while clients are encouraged to utilize both services in tandem, they may choose to forgo the use of either service. Clients will not be charged for services not utilized. We will provide clients with an invoice outlining the fees charged for each calculation period. Our fees are negotiable and may be reduced or waived, at our discretion.

#### Fee Schedule

Assets Under Management ("AUM")	Annual Investment Advisory Fee	Annual Comprehensive Financial Planning Fee
\$0 to \$500,000	0.85%	\$2,500 to \$5,000
\$500,001 to \$1,000,000	0.85%	Waived
\$1,000,001 - \$5,000,000	0.75%	Waived
\$5,000,001 and Above	0.50%	Waived

#### Payment of Fees

Investment advisory fees are paid quarterly, in arrears, calculated using the account balance in your custodial account(s) as of the last day of the calendar quarter. Unless you make arrangements to pay by electronic funds transfer or credit card, investment advisory fees will be directly debited from your custodial account(s).

The annual fee for financial planning services is pro rated and paid in equal installments, based on the number of calculation periods. You may elect to make payments either monthly or quarterly, as indicated in your financial advisory agreement with us. Financial planning fees are paid in advance (either monthly or quarterly, based on your payment election). Financial planning fees are due upon receipt of an invoice and may be paid by electronic funds transfer or credit card.

#### Termination

Clients may terminate their financial advisory agreement with us by providing written notice at least thirty (30) days in advance. Upon termination, we will return any prepaid but unearned investment advisory fees, pro rata based on the number of days remaining in the calculation period. As the



majority of the services are provided at the outset of the client relationship, financial planning fees are non-refundable.

### **Investment Advisory Services**

For investment advisory services, clients will pay a fee calculated as a percentage of their total AUM with us. Investment advisory fees are based on a tiered fee schedule, calculated by assessing the percentage rates using predefined levels of AUM shown in the above table. Fees assessed as a percentage of AUM apply back to the first dollar. Therefore, at each tier, the investment advisory fee will be calculated by multiplying your total AUM by the corresponding percentage outlined in the table above. For clients with more than \$500,000 in AUM with us, comprehensive financial planning services will be provided at no additional cost (i.e. financial planning fee will be waived).

### **Comprehensive Financial Planning**

Annual fees for comprehensive financial planning generally range from \$2,500 or \$5,000, based on the complexity and needs of the client. For our comprehensive financial planning services, we charge each client an annual financial planning fee, generally between \$2,500 and \$5,000. Fees for our financial planning services are largely based on the amount of time we anticipate spending to said services to you. While most clients fall within our standard \$2,500 to \$5,000 range, certain circumstances may result in clients being charged a different fee, the terms of which will be outlined in their respective financial advisory agreement. In estimating the amount of time we anticipate spending to provide financial planning services, we evaluate a variety of criteria including but not limited to the following:

- The complexity of the client's financial plan
- The size of the client's estate
- Client's marital status
- Client's family members (or other individuals) involved in the plan
- Inclusion of trusts
- Client's ownership of businesses or other complex legal structures requiring additional planning considerations

### **Project-Based Financial Planning**

Financial Planning services can also be offered on a fixed fee basis. The fixed fee will be agreed upon before the start of any work. This work generally includes *single* analyses or services, such as budget planning, education planning analysis, or a one-time financial plan. Our fixed fees generally range between \$200.00 and \$5,000, depending upon the service requested and the complexity of the situation under consideration. If a fixed fee service is chosen, half of the fee is due prior to work commencing on the project. The remainder of the fee is due upon completion of work. We will provide you with an invoice for the services and you may pay by electronic funds transfer, check, or credit card. We do not bill clients in excess of \$500.00 more than six months in advance.

### **Hourly Consulting Services**

Under certain circumstances, financial planning or other consulting services may be offered on an hourly basis at a rate of \$200 per hour..

## **Educational Seminars/Speaking Engagements**

Seminars are offered to organizations and the public on a variety of financial topics. Fees range from free to \$10,000.00 per seminar or free to \$250.00 per participant. Half of the fees are due prior to the engagement, and the other half are to be paid the day of, no later than the conclusion of the Seminar. The fee range is based on the content, amount of research conducted, number of hours of preparation needed, and the number of attendees. In the event of inclement weather or a flight cancellation, the Speaker shall make all reasonable attempts to make alternative travel arrangements to arrive in time for the presentation. If travel proves impossible, or the event is otherwise canceled, the Speaker's fee is waived, but the client will still be responsible for reimbursement of any non-refundable travel expenses already incurred.

In the event that the client decides to cancel or change the date of the event for any reason besides weather or similar unforeseen causes, the client will still be responsible for reimbursement of any non-refundable travel expenses already incurred.

In the event that the speaker must cancel due to health or similar unforeseen circumstances, the Speaker will make all attempts to find a reasonable alternative engagement date and will absorb any incremental additional costs for obtaining alternative travel arrangements. If an alternative date cannot be obtained, the client will not be responsible for any travel costs already incurred by the speaker or any portion of the speaker's fee.

Educational Seminars and Speaking Engagements may be provided pro-bono at Laughter Financial, LLC's discretion.

## **Other Types of Fees and Expenses**

Our fees are *exclusive* of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual fund and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees, and commissions are exclusive of and in addition to our fee, and we shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that we consider in selecting or recommending broker-dealers for client's transactions and determining the reasonableness of their compensation (e.g., commissions).

We do not accept compensation for the sale of securities or other investment products including asset-based sales charges or service fees from the sale of mutual funds.

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

We do not offer performance-based fees and do not engage in side-by-side management.

## ITEM 7: TYPES OF CLIENTS

We provide financial planning and portfolio management services to individuals, high net-worth individuals, charitable organizations, and small businesses.

We do not have a minimum account size requirement.

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

Our primary methods of investment analysis are fundamental, technical, cyclical and charting analysis.

**Fundamental analysis** involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience, and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

**Cyclical analysis** is a type of technical analysis that involves evaluating recurring price patterns and trends based upon business cycles. Economic/business cycles may not be predictable and may have many fluctuations between long-term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

### **Passive & Active Management**

We practice a combination of passive and active investment management. Funds that passively capture the returns of the market exposures we believe are efficient are placed in the portfolio. The funds that are used to build the passive portion of portfolios are typically index mutual funds or exchange traded funds.

Active management involves a single manager or managers who employ some method, strategy or technique to construct a portfolio that is intended to generate returns that are greater than the broader market or a designated benchmark. We employ active managers in markets we deem less efficient, with the belief that these managers are capable of outperforming the passive market return. The funds that are used to build the active portion of portfolios are typically mutual funds.

### **Material Risks Involved**

**All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear.** Many of these risks apply equally to stocks, bonds, commodities and any other investment or security. Material risks associated with our investment strategies are listed below.

**Market Risk:** Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the

**Concentration Risk:** Certain investment strategies focus on particular asset-classes, industries, sectors or types of investment. From time to time these strategies may be subject to greater risks of adverse developments in such areas of focus than a strategy that is more broadly diversified across a wider variety of investments.

**Interest Rate Risk:** Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

**Legal or Legislative Risk:** Legislative changes or Court rulings may impact the value of investments, or the securities' claim on the issuer's assets and finances.

**Inflation:** Inflation may erode the buying power of your investment portfolio, even if the dollar value of your investments remains the same.

### **Risks Associated with Securities**

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

**Commercial Paper** is, in most cases, an unsecured promissory note that is issued with a maturity of 270 days or less. Being unsecured the risk to the investor is that the issuer may default.

**Common stocks** may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.

**Corporate Bonds** are debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on such factors as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk.

**Bank Obligations** including bonds and certificates of deposit may be vulnerable to setbacks or panics in the banking industry. Banks and other financial institutions are greatly affected by interest rates and may be adversely affected by downturns in the U.S. and foreign economies or changes in banking regulations.

**Municipal Bonds** are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds pay a lower rate of return than most other types of bonds. However, because of a municipal bond's tax-favored status, investors should compare the relative after-tax return to the after-tax return of other bonds, depending on the investor's tax bracket. Investing in municipal bonds carries the same general risks as investing in

bonds in general. Those risks include interest rate risk, reinvestment risk, inflation risk, market risk, call or redemption risk, credit risk, and liquidity and valuation risk.

**Options and other derivatives** carry many unique risks, including time-sensitivity, and can result in the complete loss of principal. While covered call writing does provide a partial hedge to the stock against which the call is written, the hedge is limited to the amount of cash flow received when writing the option. When selling covered calls, there is a risk the underlying position may be called away at a price lower than the current market price.

**Exchange Traded Funds** prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected. ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. The Adviser has no control over the risks taken by the underlying funds in which client's invest.

**Investment Companies Risk.** When a client invests in open-end mutual funds or ETFs, the client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, many of which may be duplicative. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives).

## ITEM 9: DISCIPLINARY INFORMATION

### **Criminal or Civil Actions**

Laughter Financial, LLC and its management have not been involved in any criminal or civil action.

### **Administrative Enforcement Proceedings**

Laughter Financial, LLC and its management have not been involved in administrative enforcement proceedings.

### **Self-Regulatory Organization Enforcement Proceedings**

Laughter Financial, LLC and its management have not been involved in legal or disciplinary events that are material to a client's or prospective client's evaluation of Laughter Financial, LLC or the integrity of its management.

## ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

No Laughter Financial, LLC employee is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

No Laughter Financial, LLC employee is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor.

Laughter Financial, LLC does not have any related parties. As a result, we do not have a relationship with any related parties.

Laughter Financial, LLC only receives compensation directly from clients. We do not receive compensation from any outside source. We do not have any conflicts of interest with any outside party.

### **Recommendations or Selections of Other Investment Advisers**

As referenced in Item 4 of this brochure, Laughter Financial, LLC may recommend clients to Outside Managers to manage their accounts. In the event that we recommend an Outside Manager, please note that we do not share in their advisory fee. Our fee is separate and in addition to their compensation (as noted in Item 5) and will be described to you prior to engagement. You are not obligated, contractually or otherwise, to use the services of any Outside Manager we recommend. Additionally, Laughter Financial, LLC will only recommend an Outside Manager who is properly licensed or registered as an investment adviser.

### **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

As a fiduciary, our firm and its associates have a duty of utmost good faith to act solely in the best interests of each client. Our clients entrust us with their funds and personal information, which in turn places a high standard on our conduct and integrity. Our fiduciary duty is a core aspect of our Code of Ethics and represents the expected basis of all of our dealings. The firm also adheres to the Code of Ethics and Professional Responsibility adopted by the CFP® Board of Standards Inc. and accepts the obligation not only to comply with the mandates and requirements of all applicable laws and regulations but also to take responsibility to act in an ethical and professionally responsible manner in all professional services and activities. Additionally, Laughter Financial, LLC requires adherence to its Insider Trading Policy, and the CFA Institute's Asset Manager Code of Professional Conduct and Code of Ethics and Standards of Professional Conduct.

#### **Code of Ethics Description**

This code does not attempt to identify all possible conflicts of interest, and literal compliance with each of its specific provisions will not shield associated persons from liability for personal trading or other conduct that violates a fiduciary duty to advisory clients. A summary of the Code of Ethics' Principles is outlined below.

- Integrity - Associated persons shall offer and provide professional services with integrity.
- Objectivity - Associated persons shall be objective in providing professional services to clients.
- Competence - Associated persons shall provide services to clients competently and maintain the necessary knowledge and skill to continue to do so in those areas in which they are engaged.

- Fairness - Associated persons shall perform professional services in a manner that is fair and reasonable to clients, principals, partners, and employers, and shall disclose conflict(s) of interest in providing such services.
- Confidentiality - Associated persons shall not disclose confidential client information without the specific consent of the client unless in response to proper legal process, or as required by law.
- Professionalism - Associated persons' conduct in all matters shall reflect the credit of the profession.
- Diligence - Associated persons shall act diligently in providing professional services.

We periodically review and amend our Code of Ethics to ensure that it remains current, and we require all firm access persons to attest to their understanding of and adherence to the Code of Ethics at least annually. Our firm will provide a copy of its Code of Ethics to any client or prospective client upon request.

### **Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest**

Neither our firm, its associates or any "related person" is authorized to recommend to a client or effect a transaction for a client, involving any security in which our firm or a related person has a material financial interest, such as in the capacity as an underwriter, adviser to the issuer, etc.

### **Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

Our firm or its "related persons" may buy or sell securities similar to, or different from, those we recommend to clients for their accounts. In an effort to reduce or eliminate certain conflicts of interest involving the firm or personal trading, our policy may require that we restrict or prohibit associates' transactions in specific reportable securities transactions. Any exceptions or trading preclearance must be approved by the firm principal in advance of the transaction in an account, and we maintain the required personal securities transaction records per regulation.

### **Trading Securities At/Around the Same Time as Client's Securities**

From time to time, our firm or its "related persons" may buy or sell securities for themselves at or around the same time as clients. We will not trade non-mutual fund securities 5 days prior to the same security for clients.

## **ITEM 12: BROKERAGE PRACTICES**

### **Factors Used to Select Custodians and/or Broker-Dealers**

Laughter Financial, LLC does not have any affiliation with Broker-Dealers. Specific custodian recommendations are made to the client based on their need for such services. We recommend custodians based on the reputation and services provided by the firm.

## 1. Research and Other Soft-Dollar Benefits

### Products & Services Available to Us from Schwab

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like ours. They provide us and our clients with access to its institutional brokerage – trading, custody, reporting, and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis and at no charge to us as long as we maintain a total of at least \$10 million of our clients' assets in accounts at Schwab.

### Services that Benefit Client

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access, or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit clients or their account(s).

### Services that May Not Directly Benefit Clients

Schwab also makes available to us other products and services that benefit us but cannot directly benefit the client or their account(s). These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We can use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provides access to client account data (such as duplicate trade confirmations and account statements);
- facilitates trade execution and allocates aggregated trade orders for multiple client accounts;
- provides pricing and other market data;
- facilitates payment of our fees from our clients' accounts; and
- assists with back-office functions, recordkeeping, and client reporting.

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants, and insurance providers.



Schwab can provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab can also discount or waive its fees for some of these services or pay all or a part of a third party's fees.

Irrespective of direct or indirect benefits to our client through Schwab, we strive to enhance the client's experience, help reach their goals and put their interests before that of our firm or its associated persons.

## **2. Brokerage for Client Referrals**

We receive no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

## **3. Clients Directing Which Broker/Dealer/Custodian to Use**

Clients will be permitted to select any broker-dealer of their choosing. In these situations, we are unable to achieve the most favorable execution for client transactions. Directing brokerage can cost clients more money in that the client can pay higher brokerage commissions because we are not able to aggregate orders to reduce transaction costs, or the client can receive less favorable prices.

## **.4. The Custodian and Brokers We Use (Schwab)**

**Laughter Financial** does not maintain custody of your assets that we manage, although we are deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15—Custody, below). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. ("Schwab"), a registered broker-dealer and member of SIPC, as the qualified custodian.

We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them. While we recommend that you use Schwab as a custodian/ broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. Conflicts of interest associated with this arrangement are described below as well as in Item 14 (Client referrals and other compensation). You should consider these conflicts of interest when selecting your custodian.

We do not open the account for you, although we can assist you in doing so. Not all advisors require their clients to use a particular broker-dealer or other custodian selected by the advisor. Even though your account is maintained at Schwab, and we anticipate that most trades will be executed through Schwab, we can still use other brokers to execute trades for your account as described below (see "Your brokerage and custody costs")

We recommend Schwab, a custodian/ broker, to hold your assets and execute transactions. When considering whether the terms that Schwab provides are, overall, most advantageous to you when compared with other available providers and their services, we take into account a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades ( buy and sell securities for your account

- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payments, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, security, and stability
- Prior service to us and our clients
- Services delivered or paid for by Schwab
- Availability of other products and services that benefit us, as discussed below (see "Products and services available to us from Schwab")

### Your brokerage and custody costs

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, mutual funds and ETFs) do not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab's Cash Features Program. For some accounts, Schwab charges you a percentage of the dollar amount of assets in the account in lieu of commissions. In addition to asset-based fees, Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account.

We are not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers. Although we are not required to execute all trades through Schwab, we have determined that having Schwab execute most trades is consistent with our duty to seek the "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How we select brokers/custodians"). By using another broker or dealer, you can pay lower transaction costs. "Products and services available to us from Schwab")

### **5. Aggregating (Block) Trading for Multiple Client Accounts**

Generally, we combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion, regarding particular circumstances and market conditions, when we combine orders,

each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

### ITEM 13: REVIEW OF ACCOUNTS

Molly C.F. Laughter, Chief Executive Officer and CCO of Laughter Financial, LLC, will work with clients to obtain current information regarding their assets and investment holdings and will review this information as part of our financial planning services. Laughter Financial, LLC does not provide specific reports to clients, other than financial plans.

Client accounts with the Investment Management Service will be reviewed regularly on a quarterly basis by Molly C.F. Laughter, Chief Executive Officer and CCO. The account is reviewed with regards to the client's investment policies and risk tolerance levels. Events that may trigger a special review would be unusual performance, addition or deletions of client-imposed restrictions, excessive drawdown, volatility in performance, or buy and sell decisions from the firm or per client's needs.

Clients will receive trade confirmations from the broker(s) for each transaction in their accounts as well as monthly or quarterly statements and annual tax reporting statements from their custodian showing all activity in the accounts, such as receipt of dividends and interest.

Laughter Financial, LLC will provide reports to Investment Management clients on a quarterly basis. We urge clients to compare these reports against the account statements they receive from their custodian. Our statements or reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

### ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. In addition, Schwab has also agreed to pay for certain products and services for which we would otherwise have to pay once the value of our clients' assets in accounts at Schwab reaches a certain size. In some cases, a recipient of such payments is an affiliate of ours or another party which has some pecuniary, financial, or other interests in us (or in which we have such an interest). You do not pay more for assets maintained at Schwab as a result of these arrangements. However, we benefit from the arrangement because the cost of these services would otherwise be borne directly by us. You should consider these conflicts of interest when selecting a custodian. The products and services provided by Schwab, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices).

### ITEM 15: CUSTODY

Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct Schwab to deduct our advisory fees directly from your account [or if you

grant us authority to move your money to another person's account. Schwab maintains actual custody of your assets. You will receive account statements directly from Schwab at least quarterly. They will be sent to the email or postal mailing address you provided to Schwab. You should carefully review those statements promptly when you receive them. We also urge you to compare Schwab's account statements with the periodic account statements and/or portfolio reports you will receive from us

## ITEM 16: INVESTMENT DISCRETION

### **Discretionary Investment Management**

For those client accounts where we provide Investment Advisory Services, we maintain discretion over client accounts with respect to securities to be bought and sold and the amount of securities to be bought and sold. Investment discretion is explained to clients in detail when an advisory relationship has commenced. Additionally, the discretionary relationship will be outlined in the advisory contract and signed by the client.

### **Non-Discretionary Investment Management**

If a client has any investment restrictions such as single stock positions or holdings they wish to maintain that do not align with our investment recommendations, they will be transferred to a separate, non-discretionary, non-billed account.

Should a client ask us to assist in any trade execution in this account (including account rebalancing), it will only be done with the client's prior approval for each transaction with regard to the investment and reinvestment of account assets.

## ITEM 17: VOTING CLIENT SECURITIES

Laughter Financial, LLC does not vote Client proxies. Therefore, Clients maintain exclusive responsibility for: (1) voting proxies, and (2) acting on corporate actions pertaining to the Client's investment assets. The Client shall instruct the Client's qualified custodian to forward to the Client copies of all proxies and shareholder communications relating to the Client's investment assets. If the client would like our opinion on a particular proxy vote, they may contact us at the number listed on the cover of this brochure.

In most cases, you 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 you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward you any electronic solicitation to vote proxies.

## ITEM 18: FINANCIAL INFORMATION

Registered Investment Advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients, and we have not been the subject of a bankruptcy proceeding.

We do not have custody of client funds or securities or require or solicit prepayment of more than \$500 in fees per client more than six months in advance.

## ITEM 19: REQUIREMENTS FOR STATE-REGISTERED ADVISERS

**Molly C.F. Laughter, CFA<sup>®</sup>, CFP<sup>®</sup>**

Born: 1985

### **Educational Background**

- 2007 – Bachelor of Arts, Advertising, Southern Methodist University
- 2013 – Master of Arts Administration, Southern Methodist University
- 2013 – Master of Business Administration, Southern Methodist University
- 

### **Business Experience**

- 03/2019 – Present, Laughter Financial, LLC, Chief Executive Officer and CCO
- 01/2018 – 02/2019, RGT Wealth Advisors, Senior Portfolio Analyst
- 01/2015 – 12/2017, RGT Wealth Advisors, Portfolio Analyst
- 07/2013 – 12/2014, Robertson, Grieger & Thoele "RGT", Client Service Associate

### **Professional Designations, Licensing & Exams**

**CFP (Certified Financial Planner)<sup>®</sup>**: CERTIFIED FINANCIAL PLANNER™, CFP<sup>®</sup> and federally registered CFP (with flame design) marks (collectively, the "CFP<sup>®</sup> marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP<sup>®</sup> certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP<sup>®</sup> certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 71,000 individuals have obtained CFP<sup>®</sup> certification in the United States.

To attain the right to use the CFP<sup>®</sup> marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP<sup>®</sup> Certification Examination. The examination includes case studies and client scenarios designed to test one's ability to correctly diagnose

financial planning issues and apply one's knowledge of financial planning to real-world circumstances;

- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals. Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:
  - Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
  - Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients. CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

**Chartered Financial Analyst (CFA):** The CFA Program is a graduate-level self-study program that combines a broad-based curriculum of investment principles with professional conduct requirements. It is designed to prepare charter holders for a wide range of investment specialties that apply in every market all over the world. To earn a CFA charter, applicants study for three exams (Levels I, II, III) using an assigned curriculum. Upon passing all three exams and meeting the professional and ethical requirements, they are awarded a charter.

*Molly Laughter currently holds the CFA Charter as Molly Caroline Frost (her maiden name).*

### **Other Business Activities**

Molly C.F. Laughter is 50% owner in frost sisters creative, llc. This business is not affiliated with the financial planning or investment management profession.

### **Performance-Based Fees**

Laughter Financial, LLC is not compensated by performance-based fees.

### **Material Disciplinary Disclosures**

No management person at Laughter Financial, LLC has ever been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

## **Material Relationships That Management Persons Have With Issuers of Securities**

Laughter Financial, LLC, nor Molly C.F. Laughter, have any relationship or arrangement with issuers of securities.

## **Additional Compensation**

Molly C.F. Laughter does not receive any economic benefit from any person, company, or organization, in exchange for providing clients advisory services through Laughter Financial, LLC.

## **Supervision**

Molly C.F. Laughter, as Chief Executive Officer and Chief Compliance Officer of Laughter Financial, LLC is responsible for supervision. She may be contacted at the phone number on this brochure supplement.

## **Requirements for State Registered Advisers**

Molly C.F. Laughter has NOT been involved in an arbitration, civil proceeding, self-regulatory proceeding, administrative proceeding, or a bankruptcy petition.

## LAUGHTER FINANCIAL, LLC

1635 Grove Drive  
Celina, Texas 75009

214-267-9252

Dated March 14, 2024

### FORM ADV PART 2B – BROCHURE SUPPLEMENT

*For*

**Molly C.F. Laughter CRD # 5518250**

Chief Executive Officer, and Chief Compliance Officer

This brochure supplement provides information about Molly C.F. Laughter that supplements the Laughter Financial, LLC brochure. A copy of that brochure precedes this supplement. Please contact Molly C.F. Laughter if the Laughter Financial, LLC brochure is not included with this supplement or if you have any questions about the contents of this supplement.

Additional information about Molly C.F. Laughter is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) which can be found using the identification number 5518250.



## ITEM 2: EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

### **Molly C.F. Laughter**

Born: 1985

#### **Educational Background**

- 2007 – Bachelor of Arts, Advertising, Southern Methodist University
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#### **Business Experience**

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#### **Professional Designations, Licensing & Exams**

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The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 71,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to realworld circumstances;

- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.  
Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:
- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.  
CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

**Chartered Financial Analyst (CFA):** The CFA Program is a graduate-level self-study program that combines a broad-based curriculum of investment principles with professional conduct requirements. It is designed to prepare charterholders for a wide range of investment specialties that apply in every market all over the world. To earn a CFA charter, applicants study for three exams (Levels I, II, III) using an assigned curriculum. Upon passing all three exams and meeting the professional and ethical requirements, they are awarded a charter.

*Molly Laughter currently holds the CFA Charter as Molly Caroline Frost (her maiden name).*

### ITEM 3: DISCIPLINARY INFORMATION

No management person at Laughter Financial, LLC has ever been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

### ITEM 4: OTHER BUSINESS ACTIVITIES

Molly C.F. Laughter is not involved with outside business activities.

### ITEM 5: ADDITIONAL COMPENSATION

Molly C.F. Laughter does not receive any economic benefit from any person, company, or organization, in exchange for providing clients advisory services through Laughter Financial, LLC.

## ITEM 6: SUPERVISION

Molly C.F. Laughter, as Chief Executive Officer and Chief Compliance Officer of Laughter Financial, LLC, is responsible for supervision. She may be contacted at the phone number on this brochure supplement.

## ITEM 7: REQUIREMENTS FOR STATE REGISTERED ADVISERS

1. Molly C.F. Laughter has NOT been involved in any of the events listed below.

a. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:

- i. An investment or an investment-related business or activity;
- ii. Fraud, false statements, or omissions;
- iii. Theft, embezzlement, or other wrongful taking of property;
- iv. Bribery, forgery, counterfeiting, or extortion; or
- v. Dishonest, unfair, or unethical practices.

b. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:

- i. An investment or an investment-related business or activity;
- ii. Fraud, false statements, or omissions;
- iii. Theft, embezzlement, or other wrongful taking of property;
- iv. Bribery, forgery, counterfeiting, or extortion; or
- v. Dishonest, unfair, or unethical practices.

2. Molly C.F. Laughter has NOT been the subject of a bankruptcy petition at any time.