

**ITEM 1: COVER PAGE**



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Founder and Managing Member

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This brochure provides information about the qualifications and business practices of Lach Financial. If you have any questions about the contents of this brochure, please contact us at 502-295-7887, or [plach@lachfinancial.com](mailto:plach@lachfinancial.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. Lach Financial is a Registered Investment Adviser. Registration with the Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

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

Date: March 29, 2023

**ITEM 2: MATERIAL CHANGES**

The following material changes have been made since the last annual filing dated March 29, 2022:

Lach Financial now utilizes both mutual funds and exchange traded funds offered by Dimensional fund Advisers. Previously, the firm only used mutual funds offered by Dimensional Fund Advisers. Any areas of this document that referenced mutual funds offered by Dimensional Fund Advisers now references mutual funds and exchange traded funds offered by Dimensional Fund Advisers.

Item 4 has been updated to reflect that Lach Financial no longer accepts fees via credit card or bank transfer, but accepts fees via account deduction, cash, or check.

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**ITEM 4: ADVISORY BUSINESS****A. Description of Advisory Firm**

Lach Financial, LLC is a fee-only Registered Investment Adviser which started operating in 2011. This firm is owned solely by Patrick Lach, Ph.D., CFA, CFP®.

Patrick Lach has been the Founder, Managing Member, and sole owner of Lach Financial from February 2011 to the present.

**B. Description of Services Offered**

Lach Financial offers three services: 1) ongoing financial planning services 2) hourly financial planning services and 3) investment management for pension or profit sharing plans.

*B.1 Ongoing Financial Planning*

For ongoing financial planning clients, Lach Financial will meet with the client to determine the client's goals and the challenges to achieving those goals. Next, Lach Financial will create a plan, known as an Investment Policy Statement, based on the client's goals and constraints, implement the plan, monitor the client's account(s) on an ongoing basis, rebalance the account(s), and make trades on behalf of the client. The portfolio will be managed based on a plan custom-designed by Lach Financial to meet the client's unique needs. Lach Financial will also meet periodically with the client (at least once per year) to review and update the client's Investment Policy Statement for changes in the client's investment goals and risk tolerance. In addition, as needed, Lach Financial will also assist the client with one or more of the following services: general financial planning, life insurance planning, disability insurance planning, employee benefits planning, planning for major purchases, education planning, budgeting, tax planning, retirement planning, and estate planning.

Lach Financial requires ongoing financial planning clients to grant the firm limited power of attorney so that the firm can place trades to rebalance the client's account(s), or to implement changes in the client's asset allocation without the client's written consent for every transaction.

*B.2 Hourly Financial Planning*

If a client chooses to receive hourly financial planning advice, Lach Financial will meet with the client and answer any questions the client may have. These services do not provide for ongoing monitoring by the firm. For financial planning clients, the client will be responsible for implementing the recommendations of Lach Financial.

*B.3 Investment Management for Pension and Profit Sharing Plans*

For pension and profit sharing plans, Lach Financial will assist the client in choosing a 3(38) fiduciary and will provide annual guidance to ensure that the best possible 3(38) fiduciary is

selected. In addition, Lach Financial will be available on-site to educate plan participants on the investment options available and to assist participants in signing up for the plan. Furthermore, Lach Financial will also hold educational seminars on various financial planning topics for plan participants on an annual basis.

#### *B.4 Other Consulting Services*

Patrick Lach, through Lach Financial, may provide hourly consulting for engagements related to writing or verifying material for textbook providers. In addition, Patrick Lach, through Lach Financial, may provide hourly consulting relating to legal testimony or as an expert witness.

#### **C. Client-Tailored Services and Client Imposed Restrictions**

For ongoing and hourly financial planning clients, services are tailored to the client and every investment plan developed is specifically designed to meet the unique needs of the client. For portfolios managed on a discretionary basis, the client may not place restrictions on the management of the account. For pension and profit sharing plans, Lach Financial will select a 3(38) fiduciary who will design model portfolios for Lach Financial's pension and profit sharing clients.

#### **D. Wrap Fee Programs**

Lach Financial does not offer any wrap fee programs, in which multiple services are offered for one flat fee.

#### **E. Assets Under Management.**

As of December 30, 2022, Lach Financial had \$15,916,836.39 in discretionary assets under management, and no assets managed on a non-discretionary basis.

**ITEM 5: FEES AND COMPENSATION****A. Method of Compensation and Fee Schedule**

Lach Financial is a fee-only Registered Investment Adviser and only recommends no-load mutual funds and exchange traded funds. Lach Financial does not receive compensation for the sale of any investment products because this represents a conflict of interest between the client and the firm since the sale of commission-based products may provide a financial incentive for the adviser to recommend products that generate a commission rather than products that are in the best needs of the client.

Lach Financial provides a complimentary initial consultation for all clients. For hourly financial planning clients, Lach Financial charges a fee of \$300 per hour. Lach Financial estimates that a financial plan prepared for a financial planning client will take three to five hours to prepare. Therefore, the average fees for an engagement with an hourly fee-based client will be approximately \$900 to \$1,500, but may be more or less depending on the complexity of the client's situation. These fees will be billed after services are rendered and will not be refundable. The firm's hourly rate of \$300 per hour is negotiable.

For ongoing financial planning clients, Lach Financial charges for its services using a fee based on the amount of assets under direct supervision. Clients have the option of having the fees deducted from the brokerage account, or paying via check. For ongoing financial planning client accounts, the annual fee is negotiable and based on the following schedule:

\$0-\$1,000,000	1.00%
Next \$2,000,000 (up to \$3,000,000)	0.75%
Next \$2,000,000 (up to \$5,000,000)	0.50%
Over \$5,000,000	0.25%

The fee in the above schedule is billed quarterly and is equal to 1/4 of the annual fee. The quarterly fee is based on the value of the account on the last business day of the calendar quarter. The fees will be charged in arrears at the end of the quarter and will not be payable in advance. If the advisory contract is terminated before the quarter is over, the fee will be prorated through the termination date. Prior to the custodian tendering the management fee, the Firm will send to the Client a bill showing the amount of the fee, the value of the Client's assets on which the fee was based, and the specific manner in which the fee was calculated. The Client shall reimburse the Firm for all expenses, including reasonable attorney's fees, incurred by the Firm in connection with the collection of fees owed to the Firm by the Client.

For pension and profit sharing plans, the fee for Lach Financial's services is negotiable and based on the following schedule:

\$0 - \$1,000,000	0.45%
\$1,000,001-\$5,000,000	0.35%
\$5,000,001-\$10,000,000	0.30%
Over \$10,000,000	Negotiable

### **B. Payment of Client Fees**

Clients will be billed in arrears. A bill will be sent to the client detailing the calculation of the fees. Clients have the option of having the fees deducted from the account or paying via cash or check. This option will be determined when the client sets up the account and the client has the ability to change this option at any time. If the client does not pay via cash or check, the client authorizes Lach Financial to deduct any fees from the account when the fees become due. If there is not enough cash on hand in the account to pay the fee, securities equal to the unpaid balance will be liquidated to pay the remaining fees. Lach Financial has the discretion to choose the securities to be sold in order to pay the remaining fees. If the advisory contract is terminated before the quarter is over, the fee will be prorated through the termination date. If the client initiates services with Lach Financial after the beginning of the calendar quarter, the client's first bill will be prorated for that quarter. The arrangement may be terminated by either party at anytime without penalty provided that written notice is provided at least five (5) business days in advance.

For financial planning clients who are charged an hourly rate, Lach Financial will give the client an invoice when the final financial plan is presented.

### **C. Other Fees**

For ongoing and hourly financial planning clients, the client will incur other fees in addition to those charged by Lach Financial, but Lach Financial would not receive such fees. Examples include fees charged by mutual funds, exchange traded funds, and brokerage and transactions costs. Additional information about brokerage and transactions costs can be found under Item 12: Brokerage Practices.

For pension and profit sharing plans, the client will incur other fees in addition to those charged by Lach Financial, but Lach Financial would not receive such fees. Examples include fees charged by mutual funds, exchange traded funds, brokerage and transactions costs and fees charged by third-party administrators and 3(38) fiduciaries.

### **D. Prepayment of Client Fees**

Lach Financial does not require the prepayment of client fees.



**E. Outside Compensation for the Sale of Securities to Clients**

Neither Lach Financial nor any of its supervised persons 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**

Lach Financial does not charge performance-based fees for any of its accounts and does not engage in side-by-side management.

**ITEM 7: TYPES OF CLIENTS**

Lach Financial provides financial planning services to individuals as well as managing portfolios for individual investors, trusts, and pension and profit sharing plans. For ongoing financial planning clients, the minimum account size to open an account is \$300,000. There is no minimum account size for Lach Financial's hourly services or for pension and profit sharing plans.

**ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS****A. Method of Analysis and Investment Strategies**

Lach Financial follows a passive investment strategy and does not attempt to outperform a certain market or index. The advantage of this strategy is that it minimizes the client's investment costs. However, any investment in securities involves the risk of loss that clients should be prepared to bear.

Lach Financial also relies on historical data regarding the long-term risk, return, and correlation of assets classes when making investment recommendations. In addition, Lach Financial also heavily relies on empirical, peer-reviewed academic research when making investment recommendations.

Lach Financial uses no-load mutual funds and exchange traded funds offered by Dimensional Fund Advisors (DFA) extensively, but not exclusively. In addition, Lach Financial relies on investment research and academic data provided by DFA.

Although Lach Financial does not receive compensation for recommending DFA funds, DFA does provide Lach Financial with research material that is used to help formulate investment decisions. A potential conflict of interest may be deemed to exist because of this assistance.

Mutual funds offered by DFA are generally only available to clients of Registered Investment Advisers who have been authorized by DFA to offer DFA funds. If a client terminates their agreement with Lach Financial, they may not be able to make additional investments into DFA funds unless the additional investments are made through a different Registered Investment Adviser that has been authorized by DFA.

### **B. Risk of Investment Strategies**

Lach Financial relies on historical data and academic research when implementing its long-term buy-and-hold passive investment strategy. While the firm believes that this is the best approach to investing, there are risks associated with this strategy. The primary risk of this strategy is the risk that future risk, return, and correlations of asset classes will differ from the historical behavior of these classes. Any investment in securities involves the risk of loss that clients should be prepared to bear.

### **C. Types of Securities Used**

Lach Financial recommends passive investments such as mutual funds and exchange traded funds, which are designed to track a specific index or to gain exposure to a specific asset class. There are two primary risks associated with these securities. The first risk is that the firms comprising a particular index or asset class will decline in value. This will cause the index or asset class (and the mutual funds or exchange traded funds based on that index or asset class) to fall. The other risk associated with index mutual funds and exchange traded funds is known as tracking risk, which is the risk that these funds will fail to adequately track the indices they are designed to mimic.

Lach Financial primarily uses two types mutual funds and exchange traded funds: equity and fixed-income. An equity investment represents an ownership stake in a company. This ownership stake can fluctuate in value based on events specific to the individual company or the economy as a whole. The primary risk of equity investments is price risk, which is the risk that the price of an equity investment will decline based on firm-specific or market-specific events. Fixed-income securities represent a loan made to a government or company. The name 'fixed-income' comes from the fact that the payments received from an investor are known in advance, assuming the borrowing entity does not default on its loan. There are two primary risks of fixed-income investments. The first risk is that the investor will not receive the full amount of cash promised or will receive the full amount of cash promised, but later than promised. This risk is known as default risk. The second primary risk of fixed-income investments is that the price of a fixed-income investment may change as a result of a change in prevailing market interest rates. This risk is known as price risk or interest rate risk. Fixed-income investments also carry inflation risk, liquidity risk, and prepayment risk.

Lastly, Lach Financial may also recommend investments in Real Estate Investment Trusts (REITs). These are funds that invest in real estate or loans secured by real estate. One risk

inherent in REITs is that the value of the real estate held in the portfolio may decrease based on a deterioration in real estate market conditions. In addition, a change in interest rates may cause the value of mortgages held by a REIT to decline. The properties held by REITs can also lose money due to unexpected increases in property taxes, changes to zoning laws, or increased competition from other properties offering similar services.

**ITEM 9: DISCIPLINARY INFORMATION**

Neither Lach Financial, nor any management person with the firm, has been subject to any specific legal or disciplinary events which would be regarded as material to a current or prospective client's evaluation of the integrity of the firm or the management of the firm. There are no pending legal or disciplinary events for Lach Financial.

**ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS****A. Broker-Dealer Registration**

Neither Lach Financial nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

**B. Futures and Commodity Registration**

Neither Lach Financial nor any of its management persons have are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of forgoing entities.

**C. Conflicts of Interest**

Lach Financial uses mutual funds and exchange traded funds offered by Dimensional Fund Advisors (DFA) extensively, but not exclusively. In addition, Lach Financial relies on investment research and academic data provided by DFA. Although Lach Financial does not receive compensation for recommending DFA funds, DFA does provide Lach Financial with research material that is used to help formulate investment decisions. This research material is available to all advisers who utilize DFA funds and Lach Financial is not obligated to have a minimum amount of assets in DFA funds in order to receive this material. A potential conflict of interest may be deemed to exist because of this assistance.

**D. Other Financial Advisers**

Neither Lach Financial nor any of its management persons receives compensation from other investment advisers. Furthermore, neither the firm nor its management persons have any material relationships with other investment advisers that could create a conflict of interest.

**ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING****A. Code of Ethics**

Lach Financial has established a Code of Ethics, which, among other things, establishes policies and procedures to prevent insider trading. Lach Financial will send a copy of its Code of Ethics to its clients upon request. Lach Financial and its employees place their client's interests before their own interests at all times.

**B. Material Financial Interests in Clients' Holdings**

Neither Lach Financial nor any related person has any material financial interests in the securities recommended to clients.

**C. Firm Ownership of Client Securities**

Lach Financial, its management, and family members, invest in the same securities that it recommends to clients. While the firm or persons related to the firm invest in the same securities as those recommended to clients, client trades are placed ahead of the trades of the firm and its related persons whenever possible.

**D. Trading of Concurrently Owned Securities**

For those securities which are owned concurrently by Lach Financial or any related persons, Lach Financial will make a reasonable attempt to place the trades of its clients ahead of the trades of the firm or any related persons to the firm. It is the policy of Lach Financial and its employees to place the interests of the client ahead of their own at all times.

**ITEM 12: BROKERAGE PRACTICES****A. Selection of a Broker**

Lach Financial may require or recommend that its clients establish brokerage accounts with Shareholders Service Group. While the firm may require or recommend Shareholders Service Group, Lach Financial does not receive any compensation from any broker and is not a

registered representative of any broker. Lach financial is not affiliated with any brokerage firm and no brokerage firm supervises Lach Financial, its agents or activities. Selection of a broker is influenced by best execution, services offered by the broker, and cost.

#### *A.1. Research and Soft Dollar Benefits*

Lach Financial does not engage in any 'soft dollar' arrangements with any brokers.

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

Neither Lach Financial nor any related person receives client referrals from a broker-dealer or third party.

#### *A.3. Directed Brokerage*

Lach Financial may require or recommend its clients establish brokerage accounts with Shareholders Service Group. However, not all advisers require clients to direct brokerage. While the firm may require or recommend Shareholders Service Group, Lach Financial does not receive any compensation from any broker and is not a registered representative of any broker. Selection of a broker is influenced by best execution, services offered by the broker, and cost.

### **B. Aggregation of Orders**

Lach Financial does not aggregate orders for client accounts when there is an opportunity to do so. Instead, Lach Financial places securities orders separately for each client. Failure to aggregate orders results in higher trading costs for the client.

## **ITEM 13: REVIEW OF ACCOUNTS**

### **A. Periodic Account Reviews**

Lach Financial reviews client accounts and financial plans at least annually. These reviews are conducted by Patrick Lach, Managing Member of Lach Financial. Patrick Lach strives to with clients in person, via telephone, or via video conference at least once per year to discuss any changes to the client's goals or investment constraints. Trading activity for all client accounts is monitored daily.

### **B. Non-Periodic Account Reviews**

Lach Financial may review client accounts on an ad hoc basis if there has been a major change in the client's objectives or constraints. Lach Financial may also review a client account if there has been a major change in the macroeconomic climate.

### **C. Client Reports**

The custodian used by Lach Financial will provide quarterly reports to clients which contain the account balances as of the end of the quarter. The reports also list the holdings in the portfolio and the amount of money invested in each security. Lastly, the reports list the percentage change in the client's account balance from the previous quarter as well as the change in the client's year-to-date account balance. These reports are written.

### **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

#### **A. Other Compensation**

Lach Financial does not receive compensation from any third party in connection with any services offered to clients.

#### **B. Client Referrals**

Lach Financial does not compensate any third party for client referrals.

### **ITEM 15: CUSTODY**

Other than directly deducting fees from client accounts, Lach Financial does not take custody of client funds. Client funds will be held through a custodian selected by the firm. The custodian will send quarterly statements to clients via paper mail or electronic mail, according to the client's preference. Lach Financial is not affiliated with the custodian. The custodian does not supervise the advisor, its agents or activities. Lach Financial urges ongoing financial planning clients to compare the account balances shown on their quarterly invoice from Lach Financial to the balance(s) shown on the custodian's quarterly statement and notify Lach Financial of any discrepancies.

### **ITEM 16: INVESTMENT DISCRETION**

For ongoing financial planning clients, Lach Financial will have discretion over client funds and will have limited power of attorney over all accounts. The client's contract and the form the client completes when opening an account gives Lach Financial this limited power of attorney. This discretion includes the securities to be bought or sold, the amount of securities to be bought or sold, and the broker-dealer to be used. The limited power of attorney allows Lach Financial to place trades on behalf of the client. Lach Financial will also have the authority to deduct quarterly fees from the client's account.

**ITEM 17: VOTING CLIENT SECURITIES**

Lach Financial will not place votes for client securities. Lach Financial's custodian typically provides proxy materials directly to clients. Although clients may contact Lach Financial with any questions relating to voting proxies, Lach Financial does not typically provide clients with detailed analysis regarding proxy statements.

**ITEM 18: FINANCIAL INFORMATION****A. Balance Sheet**

Lach Financial does not solicit prepayment of client fees of \$1,200 six months or more in advance. Therefore, the firm is not required to file a balance sheet.

**B. Financial Condition**

There are no financial conditions facing Lach Financial that are reasonably likely to impair the firm's ability to meet contractual commitments to clients. All financial information is kept at the firm's physical location at 3046 Breckenridge Lane Suite 202, Louisville, Kentucky 40220.

**C. Bankruptcy Petitions**

Lach Financial has not been the subject of a bankruptcy petition at any time during the past ten years.

**ITEM 19: REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

Patrick Lach is the founder and sole owner of Lach Financial.

Patrick Lach graduated *magna cum laude* from Bellarmine University in 2004 with his Bachelor of Arts degree with a dual major in Accounting and Economics. He received his Masters of Science in Business Administration from Mississippi State University in 2007 with a major in Finance and he received his Doctorate in Philosophy (Ph.D.) in Business Administration with a major in Finance from Mississippi State University in 2008. Upon graduation, Dr. Lach accepted a position as an Assistant Professor of Finance at Eastern Illinois University. He was granted tenure and promoted to the rank of Associate Professor of Finance in 2014. Dr. Lach left Eastern Illinois in 2017 and worked as an Associate Professor of Finance at Bellarmine University from August 2017 to May of 2019. In August 2019, Dr. Lach began teaching as an Assistant Professor of Finance at Indiana University Southeast, where he continues to work today.

Patrick Lach is a Certified Financial Planner (CFP®) Certificant. This designation was conferred in 2010. Dr. Lach is also a Chartered Financial Analyst (CFA) Charterholder. Dr. Lach's CFA

Charter was awarded in 2011. Additional detailed information about these two credentials can be found in Part 2B of this brochure in the Brochure Supplement for Patrick Lach.

In addition to his duties with Lach Financial, Patrick Lach is also an Assistant Professor of Finance at Indiana University Southeast. Patrick Lach spends approximately 40 hours per week on his duties at Indiana University Southeast. In addition, Patrick Lach is also the owner of Lach Properties, LLC, which is a rental real estate firm. Clients of Lach Properties may receive a rental discount if they do business with Lach Financial, LLC. Patrick spends less than 2 hours per week on his duties as owner of Lach Properties. Patrick Lach, through Lach Financial, may provide hourly consulting for engagements related to writing or verifying material for textbook providers. Patrick Lach, through Lach Financial, may provide hourly consulting relating to legal testimony or as an expert witness. Finally, Dr. Lach is also a contributor for *The Wall Street Journal*.



**ITEM 1: COVER PAGE**

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This brochure supplement provides information about Patrick Adam Lach that supplements the Lach Financial brochure. You should have received a copy of that brochure. Please contact Patrick Lach at 502-295-7887 if you did not receive Lach Financial's brochure or if you have any questions about the contents of this supplement.

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

Date: March 29, 2023

**ITEM 2: EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

Patrick Adam Lach, born in 1981, is the founder and sole owner of Lach Financial.

Patrick Lach graduated *magna cum laude* from Bellarmine University in 2004 with his Bachelor of Arts degree with a dual major in Accounting and Economics. He received his Masters of Science in Business Administration from Mississippi State University in 2007 with a major in Finance and he received his Doctorate in Philosophy (Ph.D.) in Business Administration with a major in Finance from Mississippi State University in 2008. Upon graduation, Dr. Lach accepted a position as an Assistant Professor of Finance at Eastern Illinois University. He was granted tenure and promoted to the rank of Associate Professor of Finance in 2014. Dr. Lach left Eastern Illinois in 2017 and worked as an Associate Professor of Finance at Bellarmine University from August 2017 to May of 2019. In August 2019, Dr. Lach began teaching as an Assistant Professor of Finance at Indiana University Southeast, where he continues to work today.

Patrick Lach is a Certified Financial Planner (CFP®) Certificant. This designation was conferred in 2010. Dr. Lach is also a Chartered Financial Analyst (CFA) Charterholder. Dr. Lach's CFA Charter was awarded in 2011.

*Description of Chartered Financial Analyst Charter*

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals.

There are currently more than 156,000 CFA charterholders working in more than 134 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

**High Ethical Standards**

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charterholders to:

- Place their clients' interests ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters

### Global Recognition

Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charterholders—often making the charter a prerequisite for employment.

Additionally, regulatory bodies in over 30 countries and territories recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

### Comprehensive and Current Knowledge

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

To learn more about the CFA charter, visit [www.cfainstitute.org](http://www.cfainstitute.org).

### *Description of Certified Financial Planner Certificate*

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

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.

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 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

### **ITEM 3: DISCIPLINARY INFORMATION**

Patrick Lach has never been subject to any specific legal or disciplinary events which would be regarded as material to a current or prospective client's evaluation of his integrity. There are no pending legal or disciplinary events for Patrick Lach.

### **ITEM 4: OTHER BUSINESS ACTIVITIES**

In addition to his duties with Lach Financial, Patrick Lach is also an Assistant Professor of Finance at Indiana University Southeast. Patrick Lach spends approximately 40 hours per week on his duties at Indiana University Southeast. In addition, Patrick Lach is also the owner of Lach

Properties, LLC, which is a rental real estate firm. Clients of Lach Properties may receive a rental discount if they do business with Lach Financial, LLC. Patrick spends less than 2 hours per week on his duties as owner of Lach Properties. Patrick Lach, through Lach Financial, may provide hourly consulting for engagements related to writing or verifying material for textbook providers. Patrick Lach, through Lach Financial, may provide hourly consulting relating to legal testimony or as an expert witness. Finally, Dr. Lach is also a contributor for *The Wall Street Journal*.

**ITEM 5: ADDITIONAL COMPENSATION**

Other than what was described in Item 4: Other Business Activities, Patrick Lach does not have any additional compensation to disclose.

**ITEM 6: SUPERVISION**

Patrick Lach is the Chief Compliance Officer and also serves as an investment adviser representative. Patrick Lach has developed and implemented a Code of Ethics to guide supervised persons to meet their fiduciary obligation to the clients of Lach Financial.

**ITEM 7: REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

Patrick Lach has never been found liable in any arbitration claim. In addition, Patrick Lach has never been found liable in a civil, self-regulatory organization, or administrative proceeding. Lastly, Patrick Lach has never been the subject of a bankruptcy petition.