

ITEM 1: COVER PAGE

Laughter Financial, LLC

1635 Grove Drive
Celina, Texas 75009

Form ADV Part 2A – Firm Brochure

214-267-9252

Dated May 1, 2019

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 which can be found using the firm's identification number 301316.

ITEM 2: MATERIAL CHANGES

This is the first filing of the Form ADV Part 2A for Laughter Financial, LLC, therefore there is nothing to report.

Future Changes

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of Laughter Financial, LLC.

At any time, you may view the current Disclosure Brochure online at the SEC's Investment Adviser Public Disclosure website at <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 Disclosure Brochure at any time, by contacting us at 214-267-9252 or via email at molly@laughterfinancial.com.

ITEM 3: TABLE OF CONTENTS

Contents

Item 1: Cover Page	1
Item 2: Material Changes	2
Item 3: Table of Contents	3
Item 4: Advisory Business	4
Item 5: Fees and Compensation	8
Item 6: Performance-Based Fees and Side-By-Side Management	11
Item 7: Types of Clients	11
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss	11
Item 9: Disciplinary Information	15
Item 10: Other Financial Industry Activities and Affiliations	15
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	16
Item 12: Brokerage Practices	17
Item 13: Review of Accounts	18
Item 14: Client Referrals and Other Compensation	19
Item 15: Custody	20
Item 16: Investment Discretion	20
Item 17: Voting Client Securities	20
Item 18: Financial Information	21
Item 19: Requirements for State-Registered Advisers	22
Form ADV Part 2B – Brochure Supplement	25
Item 2: Educational Background and Business Experience	26
Item 3: Disciplinary Information	27
Item 4: Other Business Activities	27
Item 5: Additional Compensation	27
Item 6: Supervision	27
Item 7: Requirements for State Registered Advisers	28

ITEM 4: ADVISORY BUSINESS

Description of Advisory Firm

Laughter Financial, LLC has been registered as an Investment Adviser with the State of Texas since May 2019. Molly C.F. Laughter is the principal owner of Laughter Financial, LLC. Because Laughter Financial, LLC is a new entity, it currently reports no discretionary or non-discretionary Assets Under Management.

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 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, credit scores/reports, employee benefit, retirement planning, insurance, 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, 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 ad-hoc 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.

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 develop a client's personal Investment Policy Statement, or an investment plan with an asset allocation target, and create and manage a portfolio based on that policy and allocation targets. 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. Client Investment Policy Statements and 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

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.

Comprehensive Financial Planning

Comprehensive Financial Planning consists of an upfront charge of \$1,000-\$10,000, dependent on the scope and complexity of client circumstances, and an ongoing fee that is paid monthly, in advance, at a rate of \$100-\$500 per month.

The upfront charge encompasses the first 2-3 months of work to create a financial plan. The upfront portion of the Comprehensive Financial Planning fee is for client onboarding, data gathering, and setting the basis for the financial plan. This work will commence immediately after the fee is paid, and will be completed within the first 60-90 days of the date the fee is paid. Therefore, the upfront portion of the fee will not be paid more than 6 months in advance.

The ongoing fixed fee compensates the advisor for approximately 1-2 hours per month of ongoing services related to the implementation of the financial plan. The price of the financial plan and ongoing services is dependent upon the complexity of the plan and, more specifically, the number of hours expected initially and then monthly once the plan is complete. The planner will track the time spent. Comprehensive Financial Planning Services are available to clients at any level of net worth, and it is assumed that clients with higher net worth, multiple homes, and complex estate plans, for example, will require an extended number of hours of work, and therefore a higher fee level. There is no difference in cost per hour for a \$1,000-\$10,000 plan, the difference in price reflects the complexity and time required to complete the work. The client and the advisor will agree in advance as to the complexity and scope of the plan.

Fees for this service may be paid by electronic funds transfer or check. This service may be terminated with 30 days' notice. Upon termination of any account, the fee will be prorated and any unearned fee will be refunded to the client.

Financial Planning Fixed Fee

Financial Planning services can generally 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, college planning analysis, or a one-time financial plan. The fixed fee ranges between \$250.00 and \$5,000.00, depending upon the service requested and the complexity of the situation under consideration. If a fixed fee program is chosen, half of the fee is due at the beginning of the process and the remainder is due at completion of work, however, Laughter Financial, LLC will not bill an amount above \$500.00 more than 6 months in advance. Fees for this service will be invoiced directly to the client. Upon termination, the half of the fee that is due up front will be non-refundable, and no further fees will be charged.

Financial Planning Hourly Fee

Under special circumstances, financial planning may be offered hourly. The hourly rate is \$200 per hour. In the event of early termination by the client, any fees for the hours already worked will be due. Fees for this service will be invoiced directly to the client.

Investment Advisory Services (Laughter Financial, LLC Manages)

Our standard investment management fee is based on the market value of the assets under management and is calculated as follows:

Account Value	Annual Advisory Fee
\$0 - \$1,000,000	0.85%
\$1,000,001 - \$5,000,000	0.75%
\$5,000,001 and Above	0.50%

The annual fees are pro-rated and paid in arrears on a quarterly basis. The advisory fee is a tiered fee and is calculated by assessing the percentage rates using the predefined levels of assets as shown in the above chart, however, if client assets reach the second or third tier, the annual advisory fee applies back to \$1. For example, if a client joins Laughter Financial, LLC with \$1,200,000, their annual advisory fee will be 0.75%. Fees are applied to the account value as of the last day of the previous quarter. No increase in the annual fee shall be effective without agreement from the client by signing a new agreement or amendment to their current advisory agreement.

Advisory fees are directly debited from client accounts, or the client may choose to pay by check. In cases where Advisor fees are directly deducted, Advisor is required to a.) Obtain client authorization, b.) Send a copy of the invoice to the client at the same time that the IA directs invoice to the custodian for payment, c.) Disclose that the custodian will send quarterly invoices to the client wherein Advisor fees are itemized. Accounts initiated or terminated during a calendar quarter will be charged a pro-rated fee based on the amount of time that has passed in the billing period. An account may be terminated with written notice at least 15 calendar days in advance. Since fees are paid in arrears, no rebate will be needed upon termination of the account.

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.

Technical analysis involves using chart patterns, momentum, volume, and relative strength in an effort to pick sectors that may outperform market indices. However, there is no assurance of accurate forecasts or that trends will develop in the markets we follow. In the past, there have been periods without discernible trends and similar periods will presumably occur in the future. Even where major trends develop, outside factors like government intervention could potentially shorten them.

Furthermore, one limitation of technical analysis is that it requires price movement data, which can translate into price trends sufficient to dictate a market entry or exit decision. In a trendless or erratic market, a technical method may fail to identify trends requiring action. In addition, technical methods may overreact to minor price movements, establishing positions contrary to overall price trends, which may

result in losses. Finally, a technical trading method may underperform other trading methods when fundamental factors dominate price moves within a given market.

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.

Charting analysis involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends. Charts may not accurately predict future price movements. Current prices of securities may not reflect all information about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Use of Outside Managers: We may refer clients to third-party investment advisers ("outside managers"). Our analysis of outside managers involves the examination of the experience, expertise, investment philosophies, and past performance of the outside managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations, and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks. A risk of investing with an outside manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in an outside manager's portfolio. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

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 operational success of the issuer's operations or its financial condition.

Strategy Risk: The Adviser's investment strategies and/or investment techniques may not work as intended.

Small and Medium Cap Company Risk: Securities of companies with small and medium market capitalizations are often more volatile and less liquid than investments in larger companies. Small and medium cap companies may face a greater risk of business failure, which could increase the volatility of the client's portfolio.

Turnover Risk: At times, the strategy may have a portfolio turnover rate that is higher than other strategies. A high portfolio turnover would result in correspondingly greater brokerage commission expenses and may result in the distribution of additional capital gains for tax purposes. These factors may negatively affect the account's performance.

Limited markets: Certain securities may be less liquid (harder to sell or buy) and their prices may at times be more volatile than at other times. Under certain market conditions we may be unable to sell or liquidate investments at prices we consider reasonable or favorable or find buyers at any price.

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 have 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 have 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 matter 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 of 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 pre-clearance 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

We receive some research benefits through our relationship with TD Ameritrade. Please see the disclosure under Item 14.

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

We do recommend a specific custodian for clients to use, however, clients may custody their assets at a custodian of their choice. Clients may also direct us to use a specific broker-dealer to execute transactions. By allowing clients to choose a specific custodian, we may be unable to achieve most favorable execution of client transaction and this may cost clients money over using a lower-cost custodian.

The Custodian and Brokers We Use (TD Ameritrade)

Advisor participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade"), member FINRA/SIPC. TD Ameritrade is an independent [and unaffiliated] SEC-registered broker-dealer. TD Ameritrade offers to independent investment Advisors services which include custody of securities, trade execution, clearance, and settlement of transactions. Advisor receives some benefits from TD Ameritrade through its participation in the program. (Please see the disclosure under Item 14 below.)

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 draw-down, 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

As disclosed under Item 12, above, Advisor participates in TD Ameritrade's institutional customer program and Advisor may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between Advisor's participation in the program and the investment advice it gives to its Clients, although Advisor receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Advisor by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Advisor's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Advisor but may not benefit its Client accounts. These products or services may assist Advisor in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Advisor manage and further develop its business enterprise. The benefits received by Advisor or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Advisor endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Advisor or its related persons in and of itself creates a

potential conflict of interest and may indirectly influence the Advisor's choice of TD Ameritrade for custody and brokerage services.

ITEM 15: CUSTODY

Laughter Financial, LLC does not accept custody of client funds except in the instance of withdrawing client fees.

For client accounts in which Laughter Financial, LLC directly debits their advisory fee:

- i. Laughter Financial, LLC will send a copy of its invoice to the custodian at the same time that it sends the client a copy.
- ii. The custodian will send at least quarterly statements to the client showing all disbursements for the account, including the amount of the advisory fee.
- iii. The client will provide written authorization to Laughter Financial, LLC, permitting them to be paid directly for their accounts held by the custodian.

Clients should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains client's investment assets. We urge you to carefully review such statements and compare such official custodial records to the account statements or reports that we may provide to you. Our statements or reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

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 six months in advance.

ITEM 19: REQUIREMENTS FOR STATE-REGISTERED ADVISERS

Molly C.F. Laughter

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, Griege & Thoele “RGT”, Client Service Associate
-

Professional Designations, Licensing & Exams

CFP (Certified Financial Planner)®: 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. 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 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 C. Frost (her maiden name).

Other Business Activities

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

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 May 1, 2019

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 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
- 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
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Professional Designations, Licensing & Exams

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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

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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.