

## **Item 1: Cover Page**

### **Firm Brochure**

(Part 2A of Form ADV)

#### **BEACON FINANCIAL MANAGEMENT LLC**

**533 2<sup>nd</sup> St Ste 125**

**Encinitas, CA 92024**

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**760 635 1552**

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This brochure provides information about the qualifications and business practices of BEACON FINANCIAL MANAGEMENT, LLC. If you have any questions about the contents of this brochure, please contact us at: 760 473 3335, or by email at: [bg@beaconfinancialmgmt.com](mailto:bg@beaconfinancialmgmt.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.

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

March 2<sup>nd</sup>, 2023

## **Item 2: Material Changes**

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### **Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

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### **Material Changes since the Last Update**

There have been no reportable material changes since the last update on March 25<sup>th</sup> of 2022.

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### **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 760 473 3335 or by email at: [bg@beaconfinancialmgmt.com](mailto:bg@beaconfinancialmgmt.com).

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## **Item 4: Advisory Business**

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### **Firm Description**

BEACON FINANCIAL MANAGEMENT LLC, (“BFM”) was founded in 2011.

BFM provides comprehensive financial planning and investment services to clients to meet their short term and long-term financial goals in the areas of cash flow management, tax planning, insurance (limited) planning, estate planning, retirement planning, investment, and education funding.

BFM is strictly a fee only firm, which means we do not sell any financial products and receives no commissions or referral fees. BFM has fiduciary duty only to our clients and holds the clients’ interest as the highest priority.

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### **Principal Owners**

Boonseon Gudmundsen is a sole shareholder.

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### **Types of Advisory Services**

BFM provides a complementary initial consultation meeting to learn the clients’ situations, concerns and goals and discuss our services to fill those needs as well as fees. BFM serves the clients through hourly planning engagements based on limited scope, comprehensive financial planning and ongoing investment supervisory management services, also known as asset management services.

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### **Hourly Planning Engagements.**

BFM offers hourly planning engagements to help the clients who would prefer specific concerns addressed without the expense of complete written plan. The clients can choose topics from college savings plan, retirement cash flow, investment asset allocation review, diversification, mutual fund basics, early retirement offer, IRA required minimum distributions, 401(K) evaluations.

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## **Financial Planning Services**

A comprehensive financial plan is designed to help the client with all aspects of financial planning without ongoing investment management after the financial plan is completed.

A financial planning process starts with gathering current information and data and projecting future needs and goals and help plan a detailed road map to get there. The financial plan may include a cash flow statement; a review of investment account and repositioning recommendations; a limited review of insurance needs; strategic tax planning; one or more retirement scenarios; estate planning review and recommendations; education planning with funding recommendations.

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## **Investment Management Services.**

BFM offers Investment Management Service that combines financial planning and on-going discretionary asset management service through emails, phone calls, office consultations and plan updates if client's circumstances change significantly. Through the financial planning process BFM will learn client's attitudes towards risk and tolerance for volatility. These will help us build a portfolio that will best achieve the client's goals with the appropriate risk level and when the funds will be needed. The portfolio may include stocks, bonds, and mutual funds, ETFs.

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## **Tailored Services**

Each financial plan, investment management plan will be suited to each individual client's needs and goals and will be solely produced for him or her. Clients may impose restrictions on investing in certain securities or types of securities.

The client agreement may not be assigned without client consent.

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## **Wrap Fee Programs**

BFM does not participate in Wrap Fee programs.

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## Assets Under Management

As of March 2<sup>nd</sup> 2022, BFM has \$2,477,964 in assets under management.

## Item 5: Fees and Compensation

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### Description

Hourly rate for limited scope engagements is \$200.

Financial plans are priced according to the degree of complexity associated with the client's situation ranging from \$2,000 to \$3,000. The fee and scope of work will be provided in writing prior to engagement.

Investment Advisory services annual fee will be based on a percentage of assets under management as follows:

\$0.00 to \$1,000,000	1% of invested assets
\$1,000,001 to \$2,000,000	¾% of invested assets
\$2,000,001 and up	½% of invested assets

There is a minimum fee of \$1,250 per quarter or \$5,000 per year. BFM reserves the right to waive the minimum fee at its sole discretion.

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### Fee Billing

Investment management fees are billed quarterly, in *ARREARS*, meaning that we invoice you *AFTER* the three-month billing period has *ENDED*. We will send the invoice to the client and the custodian and the payment in full is expected upon receipt. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account. The client will receive a statement showing your holdings from your custodian. The client is responsible for reviewing the accuracy of the fees being billed, as the custodian will not do so.

Fees for financial planning are billed 50% in advance, with the balance due upon the completion of the plan. You may cancel our financial planning agreement at any time with a written notice. Upon cancellation, any unearned fees will be returned to you based on the time spent at an hourly rate of \$200.



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## Other Fees

Custodians (brokerage firms) may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security. Document services or 3<sup>rd</sup> Party Administrator for Defined Benefit/ Defined Contribution plans may charge additional fees directly to the clients for their services.

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## Expense Ratios

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to BFM.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

## Item 6: Performance-Based Fees

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### Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

BFM does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry more risk to the client.

## Item 7: Types of Clients

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### Description

BFM generally provides investment advice to individuals, pension and profit-sharing plans, trusts, estates, or charitable organizations, and small businesses.

Client relationships vary in scope and length of service.

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### **Account Minimums**

The minimum account size is \$500,000 of assets under management, which equates to an annual fee of \$ 5,000.

When an account falls below \$500,000 in value, the minimum annual fee of \$5,000 is charged. Depending upon circumstances, BFM will sign an *Hourly Agreement* with the client if assets have diminished significantly below \$500,000.

## **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

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### **Methods of Analysis**

The advisor utilizes fundamental analysis in selecting appropriate mix of investment choices to best fit the client needs and goals. The main sources of information include financial newspapers and magazines, publicly available reports, research materials prepared by others, and other subscription services.

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### **Investment Strategies**

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The investment strategies may include long term investing, asset allocation, diversification, rebalancing to help the client achieve their financial objectives while minimizing risk exposure. When clients' circumstances change, the portfolio will be adjusted to reflect those as well as new needs and goals.

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### **Risk of Loss**

All investments have inherent potential for loss stemming from variety of reasons. Some may be security specific that derive from the efficiency of the company management, the strength of their balance sheet such as debt load, changes in laws that affect the company or its industry. Some may derive from changes in broader market or economic conditions that affect most of the publicly traded companies. With foreign issued securities, the currency exchange rate or the geopolitical climate of the country or its region might increase the potential for loss. With debt security such as bonds, there is a

risk of loss involving the issuer's ability to repay and the movement of interest rate where if the rate goes up the value of the bond will decrease.

As BFM uses the mutual funds (a basket of stocks) as most prominent investment vehicle choices, a lot of the individual stock related risk may be mitigated. In addition, a well-diversified portfolio with a LONG-TERM INVESTMENT STRATEGY, will be most likely to produce desired investment objectives.

Thus, the biggest risk of loss results from the investors themselves where they pull their investments out of the market when the market turns bad. This ensures that their paper loss becomes actual loss. Therefore, it is important for the clients to have a long-term objective and have their investments reflect their risk tolerance.

## **Item 9: Disciplinary Information**

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### **Legal and Disciplinary**

The firm and its advisor have not been involved in legal or disciplinary events related to past or present investment clients.

## **Item 10: Other Financial Industry Activities and Affiliations**

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### **Financial Industry Activities**

BFM is not registered as a securities broker-dealer, or a futures commission merchant, commodity pool operator or commodity trading advisor.

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### **Affiliations**

BFM has no arrangements that are material to its advisory or its clients with a related person who is a broker-dealer, investment company, other investment advisor, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

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### **Code of Ethics**

The advisor is committed to adhere to the NAPFA Fiduciary Oath as a member since November of 2010 and the CFP Board Code of Ethics. The advisor passed the CFP Board exam in March of 2010, is considered a CFP candidate, is working towards receiving the right to use full CFP designation by completing 3-year work requirements and passing the Candidate Fitness Standards and background check.

#### **NAPFA Fiduciary Oath**

The advisor shall exercise his/her best efforts to act in good faith and in the best interests of the client. The advisor shall provide written disclosure to the client prior to the engagement of the advisor, and thereafter throughout the term of the engagement, of any conflicts of interest, which will or reasonably may compromise the impartiality or independence of the advisor.

The advisor, or any party in which the advisor has a financial interest, does not receive any compensation or other remuneration that is contingent on any client's purchase or sale of a financial product. The advisor does not receive a fee or other compensation from another party based on the referral of a client or the client's business.

#### **CFP® Board Code of Ethics**

The principles of the CFP Board of Standards' Code of Ethics are Integrity, Objectivity, Competence, Fairness, Confidentiality, Professionalism, and Diligence.

The full Code of Ethics including an expanded description of the CFP Board's Code is available to all Clients and prospective Clients upon request.

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## **Participation or Interest in Client Transactions**

BFM and its advisor may buy or sell securities that are also held by clients but may not trade own securities ahead of client trades. The advisor maintains required personal securities transaction records.

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## **Personal Trading**

The advisor will review the personal trades on a quarterly basis. Since most of these trades are small, they do not affect the securities markets.

## **Item 12: Brokerage Practices**

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### **Selecting Brokerage Firms**

BFM recommends that clients establish brokerage accounts with Shareholder Services Group, Inc. (SSG) to maintain custody of clients' assets and to execute trades for their accounts. BFM uses SSG due to SSG's high level of customer service which in turn helps BFM serve the clients better, reasonable fees, fit and convenience for the clients and BFM.

SSG assists BFM in managing and administering clients' accounts by providing access to client account data, facilitating trade execution, and allocating aggregated trade orders for multiple client accounts, providing research, pricing and other market data, facilitating payment of BFM's fees from the clients' accounts and providing record keeping and client reporting.

BFM is not an affiliate of any custodian and does not receive any fees or commissions from these arrangements with any third-party custodian.

BFM allows clients to place reasonable restrictions on the types of securities to be held in their accounts.

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### **Best Execution**

BFM reviews the execution of trades at each custodian each quarter and documents these reviews. Trading fees charged by the custodians is also reviewed on a quarterly basis. BFM does not receive any portion of the trading fees.

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### **Soft Dollars**

The advisor may benefit from educational materials or seminars offered by the custodians or sponsored by various mutual fund companies. All clients benefit from these activities as they help the advisor with most current products and services as well as changes mandated by the regulatory authorities. The advisor may also receive de minimis gifts from the custodians or mutual fund representatives such as t-shirts, pens, or notepads, etc.

The selection of the custodian for clients is not affected by these activities or de minimis gifts.

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### **Order Aggregation**

Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit.

## **Item 13: Review of Accounts**

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### **Periodic Reviews**

Account reviews are performed at least quarterly by Boonseon Gudmundsen, the firm's Advisor.

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### **Review Triggers**

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

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### **Regular Reports**

Clients receive periodic communications on at least an annual basis. *Investment Management* clients receive written quarterly updates. The written updates may include a net worth statement, portfolio statement, a summary of objectives and progress towards meeting those objectives.

## **Item 14: Client Referrals and Other Compensation**

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### **Incoming Referrals**

BFM appreciates referrals from clients, estate planning attorneys, accountants, personal friends, and other similar sources. The firm does not compensate referring parties for these referrals.

### **Referrals Out**

BFM does not accept referral fees or any form of compensation from other professionals when a prospect or client is referred to BFM.

## **Item 15: Custody**

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### **Account Statements**

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly.

### **Performance Reports**

Clients are urged to compare the account statements received directly from their custodians to the quarterly report statements provided by us.

## **Item 16: Investment Discretion**

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### **Discretionary Authority for Trading**

BFM accepts discretionary authority to manage securities accounts on behalf of clients. BFM has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold.

### **Limited Power of Attorney**

A limited power of attorney is a trading authorization for this purpose. In addition, BFM requires that you give us the authority to receive duplicate

confirmations from the custodian, the authority to deduct our fees and permission to download into our computer.

## **Item 17: Voting Client Securities**

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### **Proxy Votes**

BFM does not vote proxies on securities. Clients are expected to vote their own proxies.

## **Item 18: Financial Information**

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### **Financial Condition**

A balance sheet is not required to be provided because BFM does not serve as a custodian for client funds or securities and does not require prepayment of fees of more than \$500 per client, and six months or more in advance.

## **Item 19: Brochure Supplement (Part 2B of Form ADV)**

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### **Education and Business Standards**

BFM requires advisors to have a bachelor's degree in finance or other business field in addition to having aptitude for financial planning and investment management.

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### **Professional Certifications**

CERTIFIED FINANCIAL PLANNER™ (CFP®): 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. Currently, more than 62,000 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, administered in 10 hours over a two- day period, 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.)
- 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.

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**BOONSEON GUDMUNDSEN, CFP®**

Year of Birth: 1959

**Education and Professional Background**

- BA in Finance in 1987, **University of Utah**
- Series 65 Uniform Investment Advisor Law Exam in Oct. 2011
- Member of **National Association of Personal Financial Advisors** since Nov 2010: Napfa is a fee only advisors' association that promotes highest level of standards for professional competency and requires 60 hours every 2 years of Continuing Education. That is 30 hours more over what CFP Boards requires of its members. In addition, a NAPFA membership affords the advisor the backing of 2,000 members with their experience, expertise and collaboration of ideas and situations.

**Business Experience:**

- The advisor comes from an unconventional path to the industry. After devoting her time to her family and serving her community through years of voluntary work in schools and church, she turned her attention to financial services, which had been a lifelong passion. She especially embraces the fiduciary responsibility towards the clients. Whether working with the children or other volunteers, she learned that the key to motivating them was that they had the affirmation that they were understood. This likewise would be an essential element of an investment adviser and a financial planner: to learn where the clients were coming from and to know what their goals and desires are and to completely understand them. Together with this quality, the advisor brings other indispensable qualities like tenacity, commitment to excellence, honesty and the holistic approach to help the clients. It is the advisor's pledge to assist and guide the clients to achieve their financial goals to happier and fulfilling future.

**Disciplinary information:**

Registered investment advisors are required to disclose any material facts regarding any legal or disciplinary actions that would-be material to your evaluation of each investment advisor representative providing investment advice to you. Boonseon Gudmundsen has not been the subject of a reportable legal or disciplinary action.

**Other Business Activities:**

Boonseon Gudmundsen is not actively engaged in other business.

**Additional Compensation:**

Boonseon Gudmundsen does not receive any economic benefit from any non-client for providing advisory services.

**Supervision:**

Boonseon Gudmundsen is responsible for all aspect of the business as a sole practitioner and can be reached at 760 473 3335 or [bg@beaconfinancialmgmt.com](mailto:bg@beaconfinancialmgmt.com)

**Requirements for State-Registered Advisers:**

Boonseon Gudmundsen has not been found liable in any arbitration claims, or in any civil, self-regulatory organization or administrative proceedings.  
Boonseon Gudmundsen has not been the subject of a bankruptcy petition.