

Item 1: Cover Page

Prosperity Liftoff LLC

2301 Port Lerwick Place
Newport Beach, CA 92660

Form ADV Part 2A – Firm Brochure

(909) 450-1648

Dated Jan 4, 2022

This Brochure provides information about the qualifications and business practices of Prosperity Liftoff LLC. If you have any questions about the contents of this Brochure, please contact us at (909) 450-1648. 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.

Prosperity Liftoff LLC is registered as an Investment Adviser with the State of California. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about Prosperity Liftoff is available on the SEC's website at www.adviserinfo.sec.gov which can be found using the firm's identification number 304541.

Item 2: Material Changes

This Brochure contains updated information about Prosperity Liftoff LLC (referred herein as “PL,” “Firm,” “Company,” “Advisor,” “we,” “our,” “our firm,” or “the firm”) business since the last Annual Update dated Feb 26, 2021. The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure. Prosperity Liftoff wants to make you aware of the following material changes:

- Item 4: Updated description of financial planning service. No longer offering investment management services
- Item 5: Updating of financial planning fee description
- Item 5: Elimination of add-on investment management fee and updating of financial coaching fee
- Item 7: Update of types of clients - only financial planning clients now
- Item 8: Updated description of Methods of analysis
- Item 11: Elimination of Trading Practices Description as no longer providing investment management services
- Item 12: Updated Brokerage Practices - we no longer recommend any specific custodians or manage assets
- Item 13: Updated Review of Account item as we no longer provide asset management services
- Item 15: Updated Custody Item to reflect the fact that we no longer do discretionary investment management
- Item 16: Updated Investment Discretion Item to reflect that we no longer do discretionary investment management

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 the securities regulators. Either 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 Prosperity Liftoff.

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Item 4: Advisory Business

Description of Advisory Firm

Prosperity Lutoff LLC is a registered investment adviser based in Newport Beach, California. We are organized as a limited liability company under the laws of the State of California and we provide financial planning and investment advisory services. We were founded in June of 2019. Margaret Smith is the principal owner. Prosperity Lutoff reports no discretionary or non-discretionary Assets Under Management as of December 31, 2021.

We **do not** provide investment management services to separately managed accounts. As used in this brochure, the words "we", "our" and "us" refer to Prosperity Lutoff, LLC, and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm. The following paragraphs describe our services and fees.

Types of Advisory Services

Comprehensive Financial Planning

A comprehensive financial planning service is offered for a fixed engagement fee. This service involves working one-on-one with a planner over a 6-9 month time frame. Typically the first half of the engagement is spent developing the plan and the second half is spent implementing the plan as well as possible in the remaining time frame. The adviser and client will establish a list of to-do items based on a calendar and time-based goals. Client and Adviser will work through together to implement tasks in the plan in order to accomplish stated objectives. Unforeseen financial issues that arise during the engagement and are within the scope of the engagement will also be addressed.

For the financial planning engagement, client will be asked to provide information in these arenas: Financial and Life Goals, Assets, Debts, Cash flow, Credit Scores/reports, Employee benefits, Retirement Plans, Insurance, Investments, Educational planning, Estate planning, House Planning. Once the client's information is reviewed, their plan will be built and analyzed, and the findings, analysis and potential changes to their current situation will be reviewed with the client. Clients will receive a PDF document outlining their financial plan designed to achieve their stated financial goals and objectives. Meetings will occur monthly if not more frequently to discuss, implement, and refine the financial plan. Ongoing communication between the planner and Client is expected to ensure that the plan is understood and implemented effectively.

We provide financial planning services on topics such as cash flow management, house buying, retirement planning, risk management, college savings, debt management, insurance analysis, work benefits, estate 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. At the end of the engagement, client will receive a summary of accomplishments and a list of outstanding items that need to be addressed and monitored.

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

- **Getting Financially Organized and Clear:** We will help you to get organized financially in order to understand how much money comes in and goes out each month, quarter, and year. We will provide help to get organized with papers and files so that you can file and retrieve them in an effective manner. We will also provide help to get organized to manage digital accounts more effectively. We will discuss the merits of autopay systems and determine what type of bill paying behaviors will help to minimize errors and penalty fees for overdrafts and late payments.
- **Financial Goals:** We will discuss with you what your personal financial and life goals are, and how you can develop a plan to reach your personal goals. We will help you to identify appropriate goals to target, what resources you will need to make them happen, how much time you will need to achieve a goal, and how much you should budget for your goal.
- **Money Style:** We will discuss your personal money style, your money attitudes, beliefs, values, behaviors, strengths and weaknesses. We will review what you believe you have done effectively around money, and what you regret or feel you have done poorly around money. We will also assess your risk tolerance level and risk aversion level and discuss how it has affected your financial choices and decisions in various realms of your life, including education, career, house-buying, and investment decisions.

- **Cash Flow Management:** We will discuss how to improve your budgeting, spending, and savings. We will conduct a review of your income and expenses to determine your current surplus or deficit along with advice on how to deploy surpluses to reduce debt and ongoing expenses. We will discuss which debts to pay off first, as well as discuss building cash reserve for emergencies, and strategies to save desired amounts.
- **Student Loans and Debt Reduction:** We will review your overall debt profile and credit score profile, as well as your average cost of debt. We will discuss ways to repay and reduce your various debts where it makes financial sense. We will provide advice on which debts to pay off first based on interest rate and tax and credit score ramifications. We will consider debt consolidation options, if appropriate, as another way to lower your cost of debt.
- **House buying:** We will review your overall Net Worth asset allocation, and help you decide whether buying a house would improve your overall asset allocation mix and help you earn positive financial returns. We will help you to consider the financial implications of buying a particular house, whether it be for a primary or secondary residence or for investment purposes, and help you make projections about the expected returns over different holding periods. For a primary residence house, we can help you consider how buying compares with renting in order to make an intelligent house purchasing decision. We will also provide advice about obtaining a mortgage, working with a real estate agent, accounting for remodeling costs, and other house-buying-related decisions.
- **College Funding:** We will review your expected college and post-secondary education expenses, and project the amount you will be responsible for funding. We will also provide advice on specific ways to save and pay for the desired amount. If appropriate, we will review your financial picture as it relates to eligibility for financial aid, or the best way to make contributions for grandchildren, nephews and nieces, and other relatives.
- **Education Planning:** We help you make wise educational decisions. We review the career interests, grades, scores, aptitudes of your children (or yourself) and help you to identify the most appropriate colleges and universities, as well as majors, extracurriculars, internships, and post-graduate degree options and pathways for the stated interests. We help you to think through the return on investment, opportunity cost, time to completion, risk and return of different educational options, and give you advice about overall educational decisions. And we help you to think through the various educational pathways and options as they pertain to financial costs and benefits.
- **Career Planning:** We help you to do effective career planning. We help you plan and manage your career to help you optimize your income, benefits, and savings trajectory. We review your career history, and strategize about career moves, salary negotiations, benefits negotiations, and career management, as it pertains to your overall financial planning objectives.
- **Employee Benefits Optimization:** We will help you to review your employee benefits and analyze whether you are taking maximum advantage possible of your employee benefits. If you are a business owner, we will help you to consider and/or recommend the various benefit programs that can be structured to meet both business and personal retirement goals.
- **Estate Planning:** We will help you to review your estate planning situation, including whether you have a will, powers of attorney, trusts, health-related documents, and other estate-planning documents in place, the relevance and status of your current estate plan, and your exposure to estate taxes. We will advise you on ways to minimize and/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 and Risk Management:** We help you to review your exposure to major risks which could have a significant adverse impact on your financial picture, such as premature death, disability, aging-related impairments, property and casualty losses. 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”). We will also review your existing insurance policies to ensure that you are properly covered for your life, health, disability, long-term care, liability, home, and automobile insurance needs. We will help you to identify needed or desirable additions or subtractions to existing policies that will help to improve your insurance coverage and/or help you to reduce your insurance costs while still adequately covering your insurance needs.
- **Investment Analysis:** In the course of a financial planning engagement, we will discuss your risk tolerance and review your asset allocation and discuss whether it is appropriate to modify your asset allocation to better meet your financial goals. We may make specific investment recommendations (specific stock and/or fund choices and an implementation guide) that are valid only for that point in time. The client is then responsible for implementing recommendations, for the ongoing management of their investment accounts, and placing all trades.
- **Retirement Planning:** We will discuss your retirement lifestyle and spending goals, and help you to make retirement projections based on your existing retirement assets, non-retirement assets, housing assets, and other assets including pensions and social security benefits. We will look at the likelihood of your achieving your retirement lifestyle and spending goals based on your stated objectives. 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 such as length of

time before retirement, working longer, saving more, spending less, taking less or more risk with investments, and other possible adjustments.

- **Income Distribution Planning:** If you are near retirement or already retired, we may provide advice to you on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years. We will help you to consider the timing and sequencing of distributions, and how certain distributions work in conjunction with pension and social security distributions. We will consider which assets or set of assets you should take distributions from first, second, etc. We will help you to think through the implications of required minimum distributions from Non-Roth defined contribution plans versus taking distributions from Roth retirement accounts. We will also help you to consider the optimal timing of social security income distributions.
- **Tax Planning:** We will review your current income tax situation, and discuss ways for you to minimize current and future income taxes as a part of your overall financial planning picture. We may make recommendations on which type of account(s) or specific investments should be owned based in part on their “tax efficiency,” with the 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 may discuss tax loss harvesting strategies for managing your investments. And we may discuss tax-related strategies around gifting, charitable donations, trusts, and retirement account options. 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 may participate in meetings or phone calls between you and your tax professional with your approval.
- **Small Business Planning:** We help you to think through various options as it pertains to business ownership. We may help you to think through the idea of starting your own business. We may also help you to think through the process of exiting from your current business. For an existing business, we can help you to identify ways to improve your business, to the extent that it aligns with achieving your personal financial planning objectives. We can advise on the business employee benefits, retirement benefits, retirement plans, and accounting, bookkeeping, payroll, sales, marketing, succession planning and/or management practices to help improve the performance of your business.

Add-on Service: Financial Coaching

For financial planning clients who are engaged with us on an ongoing basis, we also make available to them, for additional cost, these add-on coaching services:

Spending and Cash Flow Management Coaching: This service involves working one-on-one with a coach to help improve spending behavior, stay on budget, and start saving. Email and text support will be provided through the duration of the coaching engagement. Spending well is a challenge for many people, and working with a spending coach is a way to get a handle on excessive or inappropriate spending behavior, and is an important starting point for getting financially healthy. The coach will help the client to improve their spending behavior, stay on budget, start saving, save more effectively, and make better spending decisions. After this program is completed, it is the client’s responsibility to contact and re-engage the coach should they have further financial coaching needs.

Money Mindset Coaching: This service involves working one-on-one with a coach to help improve your relationship to money, have a more positive attitude towards money, money management, earning, investing, and staying on track. Email and text support will be provided through the duration of the coaching engagement. Many people have a poor relationship to money, and working with a Money Mindset Coach to improve your attitudes, mindset, behaviors around money is a good way to start getting financially healthy. The coach will help you to identify your money style and help you to understand your strengths and weaknesses around money. This will help you to learn ways to improve your money mindset and be more financially effective.

Financial Organization Coaching: This service involves working one-on-one with a coach to help improve your financial organization. We will help you to declutter your financial system. We will first address paper filing and digital organization. Then we will address ways to more effectively monitor your financial situation, and track spending, income, assets and debts. Next, we will address how to make your bill paying more efficient and effective and reduce errors in bill paying. By getting more organized around finances, you will learn to be more effective overall with money.

Small Business Coaching: This service involves working one-on-one with a coach to help improve the profitability and efficiency of your small business. We will help you to identify areas of your small business that are working well and working sub-optimally. Then we

will prioritize areas to address and determine which 3-4 areas we want to focus on first, whether it is leadership style or bookkeeping and accounting, financial management, systems management, employee or retirement benefits.

Financial Accountability Coaching: This service involves working one-on-one with a coach to help you be more accountable for mastering your personal finances. We will first identify which areas you need to learn to become more effective in, and then come up with a coaching agenda to help you become more financially accountable and effective in a way that will help you to meet your goals.

Item 5: Fees and Compensation

Comprehensive Financial Planning

For Comprehensive Financial Planning services, we charge a project fee. The project fee is for a 6-9 month engagement in which we take the time to develop and implement the financial plan. The fee will depend on the complexity and needs of the client or couple and shall be paid in two payments (initial payment and in the middle) or three payments (initial payment, then at month 2 and month 4). The initial installment fee will not be paid more than 6 months in advance. The client must give 30 days notice to terminate the contract. If, however, the client desires to terminate the comprehensive financial planning service within the first 30 days of the contract, the initial fee will be forfeited, the contract will be terminated immediately, and all further billing charges will be terminated. In the event of termination after 30 days, the client will be refunded on a pro-rated basis for any prepaid but unearned fees as of the date of termination and completed portions of the plan and/or recommendations will be delivered to the client at that time. Fees for this service may be paid by Zelle, Venmo, or check.

Add-On Financial Coaching Fee

For financial planning clients who are engaged with us on an ongoing basis through comprehensive financial planning, we also make available to them, for additional cost, financial coaching services that are between three to twelve months in duration.

If add-on financial coaching services are desired, a coaching fee and coaching duration will be agreed upon before the start of any work. The coaching fee would range between \$2000 and \$12,000, depending on the complexity and needs of the client. The fee is negotiable. If the agreed-upon coaching fee is less than \$5000, half of the fee is due at the beginning of the coaching engagement and the remainder is due at the midpoint of the engagement. Prosperity Liftoff will not bill an amount above \$500 more than 6 months in advance. If the coaching fee is over \$5000, Client may elect to make payments in thirds: before the first session, at the third way mark, and at the two-thirds way mark. Fees for this service may be paid by electronic funds transfer, Zelle, Venmo, or check. If the Client wishes to terminate the engagement before the engagement work is completed, 14 days notice must be given. The fees will then be pro-rated based on the amount of work already rendered, and any remaining amount will be refunded to the client.

Educational Seminars/Speaking engagements

Seminars are offered to organizations and the public on a variety of financial topics. Fees range from free to \$15,000 per seminar or free to \$2000 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, and will provide payment for 25% of the Speaker's fee if the cancellation occurs within 30 days of the event. 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.

Speaking Engagements

Margaret Smith is a public speaker. Generally, fees for her speaking engagements range from free to \$15,000 plus travel expenses, depending on sponsor, date, location, and program requested. For all speeches, 25% of the balance is due before the event and the remaining balance due at the conclusion of the event. 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. The content is based on topics that are currently relevant in the financial planning environment.

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, and will provide payment for 25% of the Speaker's fee if the cancellation occurs within 30 days of the event. 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 Prosperity Liftoff'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.

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.

CCR Section 260.238(j) Disclosure

Please note, lower fees for comparable services may be available from other sources.

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 services to individuals and couples.

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

We use fundamental analysis when providing investment advice:

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 the 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.

Material Risks Involved

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines.

We cannot offer any guarantees or promises that clients' investment goals and objectives will be met. Past performance is in no way an indication of future performance.

All investing strategies we might suggest 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.

Recommendation of Particular Types of Securities

As disclosed under the "Advisory Business" section in this Brochure, we invest in many types of securities and we do not purchase one particular type of security over another. It would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

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.

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 factors such 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.

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.

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 delisted 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).

Privacy/ Cybersecurity Risk. The risk of actual and attempted cyber-attacks, including denial-of- service attacks, and harm to technology infrastructure and data from misappropriation or corruption, and reputation harm. Due to Prosperity Liftoff, LLC's interconnectivity with third-party vendors, exchanges, clearing houses and other financial institutions, PL, and thus indirectly our clients, could be adversely impacted if any of them is subject to a successful cyber-attack or other information security event. Although PL takes protective measures and endeavors to modify them as circumstances warrant, its computer systems, software and networks may be vulnerable to unauthorized access, misuse, computer viruses or other malicious code and other events that could have a security impact or render PL unable to transact business on behalf of clients.

Item 9: Disciplinary Information

Criminal or Civil Actions

Prosperity Liftoff and its management have not been involved in any criminal or civil action.

Administrative Enforcement Proceedings

Prosperity Liftoff and its management have not been involved in administrative enforcement proceedings.

Self-Regulatory Organization Enforcement Proceedings

Prosperity Liftoff 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 Prosperity Liftoff or the integrity of its management.

Item 10: Other Financial Industry Activities and Affiliations

No Prosperity Liftoff employee is registered, or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

No Prosperity Liftoff employee is registered, or have an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor.

Prosperity Liftoff does not have any related parties. As a result, we do not have a relationship with any related parties.

Disclosure of Material Conflicts

All material conflicts of interest under CCR Section 260.238(k) are disclosed regarding Prosperity Liftoff, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

Recommendations or Selections of Other Investment Advisers

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, Prosperity Liftoff will only recommend an Outside Manager who is properly licensed or registered as an investment adviser.

Item 11: Code of Ethics

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.

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 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.

Item 12: Brokerage Practices

We do not recommend any specific custodians for clients to use. We do not manage assets.

Item 13: Review of Accounts

We do not have any assets under management nor do we manage any assets under management. We do not provide ongoing supervision of assets of a clients.

Item 14: Client Referrals and Other Compensation

At times, we may engage with a formal solicitation arrangement with employee or non advisory persons or organizations in exchange for client referrals. In order to receive a referral fee from our firm, the solicitor must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a solicitor, you should have received a copy of this Disclosure Brochure along with a solicitor's Disclosure Statement at the time of the referral. If you become a client, the person that referred you to our firm will receive a percentage of the advisory fee you pay our firm for as long as you are a client with our firm or until the solicitor's agreement is terminated. You will not pay additional fees because of this referral arrangement. Referral fees paid to the solicitor are contingent upon your entering into an advisory agreement with our firm. Therefore, the person making the referral has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms. Solicitors that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements. We request that our solicitors disclose to you whether multiple referral relationships exist and that comparable services may be available from other advisers for lower fees and/or where the Solicitor's compensation is less favorable.

Item 15: Custody

We do not take custody of client assets.

Item 16: Investment Discretion

We do not perform discretionary investment management. For non-discretionary accounts, we will either obtain your approval prior to executing transactions on your behalf or make recommendations to you and it shall be your responsibility to implement those recommendations. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

Item 17: Voting Client Securities

By default, Prosperity Liftoff does not vote Client proxies and the Client maintains 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. 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.

Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

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. Our firm does not have any financial condition or impairment that would prevent us from meeting our contract commitment to you. We have not been and are not the subject of a bankruptcy proceeding. We do not take 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: Additional Information

Privacy Policy

We have adopted a privacy policy that explains the manner in which our firm collects, utilizes and maintains nonpublic personal information about clients.

Collection of Information and Disclosure of Nonpublic Personal Information

To provide Clients with superior service, we may collect several types of nonpublic personal information about Clients, including:

- Information from forms that Clients may fill out, such as subscription forms, questionnaires and other information provided by Clients in writing, in person, by telephone, electronically or by any other means. This information includes name, address, nationality, tax identification number, and financial and investment qualifications
- Information Clients may give orally
- Information about transactions within us, including account balances, investments and withdrawals
- Information about the amount Clients have invested, such as initial investment and any additions to and withdrawals from a capital account
- Information about any bank accounts Clients may use for transfers to or from managed accounts

We do not sell or rent Client information.

We use this information to conduct business with our Clients, to develop or enhance its products and services, to understand the financial needs of our Clients so that we can provide such Clients with quality products and superior service, and to protect and administer our Clients' records, accounts and funds.

We do not disclose nonpublic personal information about our Clients to nonaffiliated third parties or to affiliated entities, except as permitted or required by law.

We may share nonpublic personal information in the following situations:

- To affiliated companies in order to provide Clients with ongoing personal advice and assistance with respect to the products and services Clients have purchased through us and to introduce Clients to other products and services that may be of value to such Clients
- To respond to a subpoena or court order, judicial process or regulatory authorities
- To protect against fraud, unauthorized transactions (such as money laundering), claims or other liabilities
- Upon consent of a Client to release such information, including authorization to disclose such information to persons acting in a fiduciary or representative capacity on behalf of the Client.

Protection of Information

Our policy is to require that all employees, financial professionals and companies providing services on our behalf keep Client information confidential. We maintain safeguards that comply with federal standards to protect Client information. We restrict access to the personal and account information of Clients to those employees who need to know that information in the course of their job responsibilities. Third parties with whom we share Client information must agree to follow appropriate standards of security and confidentiality. Our privacy policy applies to both current and former Clients. We may disclose nonpublic personal information about a former Client to the same extent as for a current Client.

Changes to Privacy Policy:

We may make changes to our privacy policy in the future. We will not make any change affecting an individual without first sending that individual a revised privacy policy describing the change.

Item 20: Requirements for State-Registered Advisers

Margaret Smith

Born: 1969

Educational Background

- 1991 – B.A., Economics, Yale University
- 1998 – Ph.D., Business Economics, Harvard University

Business Experience

- 06/2019 – Present, Prosperity Liftoff, LLC, Founder, President, and CCO
- 02/2012 – 05/2019, Enneaglobal, President
- 12/2006 – 01/2012, Smith Financial Place, President

Professional Designations, Licensing & Exams

CFP (Certified Financial Planner)®: 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 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.

Other Business Activities

Margaret Smith is not involved with outside business activities.

Performance-Based Fees

Prosperity Lutoff is not compensated by performance-based fees.

Material Disciplinary Disclosures

No management person at Prosperity Lutoff 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

Prosperity Lutoff LLC, nor Margaret Smith, have any relationship or arrangement with issuers of securities.

Additional Compensation

Margaret Smith does not receive any economic benefit from any person, company, or organization, in exchange for providing clients advisory services through Prosperity Lutoff.

Supervision

Margaret Smith, as Founder, President, and Chief Compliance Officer of Prosperity Lutoff, is responsible for supervision. She may be contacted at the phone number on this brochure supplement.

Requirements for State Registered Advisers

Margaret Smith has NOT been involved in an arbitration, civil proceeding, self-regulatory proceeding, administrative proceeding, or a bankruptcy petition.

Conflicts of Interest

Pursuant to California Code of Regulations Section 260.238 (k) any material conflicts of interest regarding the investment adviser, its representatives or any of its employees are disclosed to the client prior to entering into any Advisory or Financial Planning Agreement.

Business Continuity Plan

Prosperity Lutoff Financial maintains a written Business Continuity Plan that identifies procedures related to an emergency or significant business disruptions, including the death of the investment adviser or any of its representatives.

Prosperity Liftoff LLC

2301 Port Lerwick Pl
Newport Beach, CA 92603
(909) 450-1648

Dated Jan 4, 2022

Form ADV Part 2B – Brochure Supplement

For

Margaret Smith Individual CRD# 5251058

Founder, President, and Chief Compliance Officer

This brochure supplement provides information about Margaret Smith that supplements the Prosperity Liftoff LLC brochure. A copy of that brochure precedes this supplement. Please contact Margaret Smith if the Prosperity Liftoff brochure is not included with this supplement or if you have any questions about the contents of this supplement.

Additional information about Margaret Smith is available on the SEC's website at www.adviserinfo.sec.gov which can be found using the identification number Individual CRD# 5251058.

Item 2: Educational Background and Business Experience

Margaret Smith

Born: 1969

Educational Background

- 1991 – B.A., Economics, Yale University
- 1998 – Ph.D., Business Economics, Harvard University

Business Experience

- 06/2019 – Present, Prosperity Liftoff LLC, Founder, President, and CCO
- 02/2012 – 05/2019, Enneaglobal, President
- 2/2006 – 01/2012, Smith Financial Place, President

Professional Designations, Licensing & Exams

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

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

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

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- 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

No management person at Prosperity Liftoff 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

Margaret Smith is not involved with outside business activities.

Item 5: Additional Compensation

Margaret Smith does not receive any economic benefit from any person, company, or organization, in exchange for providing clients advisory services through Prosperity Liftoff.

Item 6: Supervision

Margaret Smith, as Founder, President, and Chief Compliance Officer of Prosperity Liftoff, is responsible for supervision. She may be contacted at the phone number on this brochure supplement.

Item 7: Requirements for State Registered Advisers

Margaret Smith has NOT been involved in an arbitration, civil proceeding, self-regulatory proceeding, administrative proceeding, or a bankruptcy petition.