

Form ADV Part IIA

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This brochure provides information about the qualifications and business practices of Financial Legacy Associates, LLC. If you have any questions about the contents of this brochure, please contact us at (636) 777-4200. 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 Financial Legacy Associates, LLC is also available on the SEC's website at www.adviserinfo.sec.gov

Item 2: Material Changes

There were no material changes since our last annual amendment, dated February, 2009 other than changes made to conform to the new disclosure requirements required under the new Part 2A of Form ADV.

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Item 4: Advisory Business

Financial Legacy Associates, LLC ("we", "our", "us", "Financial Legacy") is a group of independent professionals dedicated to providing prudent and comprehensive financial advice to clients seeking individual and personalized help.

We are a Registered Investment Advisor with the Securities and Exchange Commission ("SEC"), SEC File Number 801-68836, in order to offer investment advisory products and services to our advisory clients ("you"). Such services are offered through certain Financial Advisors ("FAs") who have registered as our Investment Advisor Representatives ("Advisory Representative").

We have been an SEC Registered Investment Advisor since 2008 (previously a State Registered Investment Advisor beginning in 2003) and manage, as of December 31, 2010, \$24,600,000 of assets on a discretionary basis and \$26,700,000 on a non-discretionary basis.

Our principal owner and Chief Compliance Officer is Caspar Michael Unterreiner.

VISION2020 ADVISOR PROGRAM

We offer the VISION2020 Advisor Program ("V2A") which provides comprehensive investment management of your assets through the application of asset allocation planning software as well as the provision of execution, clearing and custodial services through Pershing.

V2A provides risk tolerance assessment, efficient frontier plotting, fund profiling and performance data, and portfolio optimization and re-balancing tools. Utilizing these tools, and based on your responses to a risk tolerance questionnaire ("Questionnaire") and/or discussions that we have together regarding among other things, investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation, we construct a portfolio of investments for you. This portfolio may consist of mutual funds, exchange traded funds, equities, options, debt securities, variable life, and/or variable annuity sub-accounts (certain restrictions may apply) or other investments.

Each portfolio is designed to meet your individual needs, stated goals and objectives. Additionally, you have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

For further V2A details, please see the V2A Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in V2A. Please read it thoroughly before investing.

THIRD PARTY ADVISORY SERVICES

We offer our clients the services of various third party investment advisors ("Third-Party Advisory Services") for the provision of certain investment advisory programs including mutual fund wrap and separately managed account programs.

If you are interested in learning more about any of these services, please note that a complete description of the programs, services, fees and payment structure, and termination features is available via the applicable Third Party Advisory Service's disclosure brochures, investment advisory contracts, and account opening documents.

In connection with these arrangements, we will provide assistance in the selection and ongoing monitoring of a particular Third-Party Advisory Service. Factors that we consider in the selection of a particular third-party advisor may include but may not be limited to: i) our assessment of a particular Third-Party Advisory Service; ii) your risk tolerance, goals, objectives and restrictions, as well as investment experience; and, iii) the assets you have available for investment.

You should know that the services provided by us through the use of Third-Party Advisory Services are under certain conditions directly offered by them to you. The fees charged by Third-Party Advisory Services who offer their programs directly to you may be more or less than the combined fees charged by the Third Party Advisory Service and us for our participation in the investment programs. However, when using the services of Third-Party Advisory Services directly, you do not receive our expertise in developing an investment strategy, selecting a Third-Party Advisory Service, monitoring the performance of your account and changing a Third-Party Advisory Service provider when appropriate.

RASA 044 ACCOUNTS

We offer RASA 044 Accounts ("RASA") as a non-commissionable advisory account where we can purchase load waived and no-load mutual funds and other equity, debt and option securities for you. Our Advisory Representative will obtain the relevant financial data from you and assist you in the selection of suitable investments. We will base our investment strategy on your specific goals and situation. In addition, you have the opportunity to place reasonable restrictions on investments held within your RASA account.

FINANCIAL PLANNING

We provide a variety of financial planning services to you regarding the management of your financial resources, based upon an analysis of your needs. Generally, such financial planning services will involve preparing a financial program for you based on your financial circumstances and objectives. This information typically covers present and anticipated assets and liabilities, including insurance, savings, investments and anticipated retirement or other employee benefits.

Our financial planning typically includes general recommendations for a course of activity or specific actions that you should take. For example, recommendations may be made that the Clients obtain insurance or revise existing coverage, establish an individual retirement account, increase or decrease funds held in savings accounts or to invest funds in certain securities.

Other financial planning services that we may provide include ongoing financial counseling, account review, securities research and other advisory services related to investments.

Financial planning services to be provided to you will be outlined on the client agreement that you sign with us.

Item 5: Fees and Compensation

VISION2020 ADVISOR PROGRAM

We offer V2A as an account billed with separate advisory fees and transaction charges ("Non-Wrap Account"). As such, in addition to the quarterly account fee described below, you will also pay separate per-trade transaction charges. Please see the V2A Wrap Fee Program Brochure for a complete list of transaction charges.

We also offer V2A as an account where no separate transactions charges apply and a single fee is paid for all advisory services and transactions ("Wrap Account").

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. You will receive a full account fee refund in the event that you terminate your client agreement with us within five business days of signing. If you terminate after the first five days, the account fee will be credited back to you on a pro-rata basis for the unused portion of the quarter.

Additional, ancillary V2A fees may apply. Please see the V2A Wrap Fee Program Brochure for further details.

Our V2A account fee schedule is as follows:

Total Account Fees will range to a maximum of 2.50% in the Wrap Program. Asset-based fees will also range to a maximum of 2.50% in a Non-Wrap Program; however, clients will pay separate transaction charges.

THIRD PARTY ADVISORY SERVICES

Compensation in connection with Third Party Advisory Services generally consists of six elements: i) management fees paid to Third Party Advisory Services; ii) management fees paid to us as outlined below; iii) transaction costs – if applicable – which may be paid to purchase and sell such securities; iv) custody fees; v) revenue sharing compensation paid to Royal Alliance Associates, Inc. ("Royal Alliance") the securities broker-dealer to which members of our Firm are associated with; and vi) fees paid to Royal Alliance for administrative and supervisory services.

For more complete fee details, please see the applicable Third Party Advisory Service's disclosure brochures, investment advisory contracts, and account opening documents.

SEI INVESTMENTS

Our Advisory Representatives may also assist the client in establishing a custodial clearing account with SEI Investments Company ("SEI") or affiliates of SEI and may, with the consent of the client, direct the purchase of no-load mutual funds affiliated with SEI in the account ("SEI Account"). Royal Alliance Associates, Inc. ("Royal") provides certain assistance to SEI or its affiliates and will receive an administrative fee collected by SEI. While clients who have these SEI Accounts may be clients of other Royal advisory programs, we are the investment advisory and Royal is not acting as an investment advisor in respect of the SEI accounts. Fees for this program are based on the value of the account, and may be negotiable. Our fee schedule is:

<u>Assets Under Management</u>	<u>Annual Fee</u>
\$ 100,000- 499,000	1.25%
500,000- 999,999	1.00%
1,000,000-2,499,999	.85%
2,500,000 or more	.70%

RASA 044 ACCOUNTS

We offer RASA as an account billed with separate advisory fees and transaction charges ("Non-Wrap Account"). As such, in addition to the quarterly account fee described below, you will also pay separate per-trade transaction charges. Please see your client agreement for a complete list of transaction charges.

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees may be negotiable and will be debited from your account by our custodian. You will receive a full account fee refund in the event that you terminate your client agreement with us within five business days of signing. If you terminate after the first five days, the account fee will be credited back to you on a pro-rata basis for the unused portion of the billing period.

Our RASA fee schedule is as follows:

<u>Assets Under Management</u>	<u>Annual Fee</u>
\$ 25,000- 99,000	2.75%
100,000- 249,999	2.50%
250,000- 499,999	2.25%
500,000- 749,999	2.00%
750,000-1,249,999	1.75%
1,250,000-1,999,999	1.50%
2,000,000-4,999,999	1.25%
5,000,000 and above	1.00%

Transaction charges are paid to Royal Alliance for the supervisory services it performs and to Pershing for its clearance and execution services. In addition, Client will pay \$4.00 for each trade transaction and \$1.50 for each trade confirmation that the Client does not elect to receive electronically.

Transaction Fee Schedule

Funds:

No Load Funds:

Purchases:	\$32.50
Redemptions:	\$32.50
Exchanges:	\$0.00
Systematic Agreements	\$0.00

Pershing's FundVest No Loads (Non-IRA):

Purchases: > or = \$2,500	\$0.00
< \$2,500	\$25.00
Redemption:	
If held for > or = 6 months	\$0.00
If held for < 6 months	\$51.50
Exchanges	\$0.00
Systematic Agreements	\$0.00

Minimum initial purchase: \$2,500
Minimum subsequent investment: \$500

Pershing's FundVest No Loads (IRA)

Purchases: > or = \$500	\$0.00
< \$500	\$25.00
Redemption:	
If held for > or = 6 months	\$0.00
If held for < 6 months	\$51.50
Exchanges	\$0.00
Systematic Agreements	\$0.00

Minimum initial purchase: \$500
Minimum subsequent purchase: \$500

Loaded Funds Purchased @ NAV:

Purchases	\$32.50
Exchanges	\$0

Stocks: \$25 plus \$.05/share. Penny stocks (under \$1) are charged \$50 or 5% of principal, whichever is greater.

Bonds: \$50 per transaction

Covered Call Options:

Dollar Amount Per Transaction

\$0- 2,499 \$35 + 2.4% of Principal Amount

\$2,500 – 9,999 \$65 + 1.2% of Principal Amount

\$10,000 + \$125 + 0.6% of Principal Amount

Maximum charge is \$50.00 per contract on the first two contracts, plus \$5.00 per contract thereafter.

Minimum charge is \$45.00 plus \$3.00 per contract.

Maximum and minimum's are applicable to schedule.

Unit Investment Trusts: \$50 per transaction

FINANCIAL PLANNING

We offer financial planning services to meet a variety of Clients' goals including estate planning, retirement planning, college funding, and minimization of taxes and/or investment savings. We will develop financial plans for Clients based on the Clients' risk tolerance, age, income level, economic goals and/or any other elements outlined by the Client. Each financial plan developed by us will use strategies designed to achieve the Client's financial goals. The particular strategies selected to implement the plan may include formation of trusts or purchase of real estate and/or insurance products such as life insurance.

The Advisory Representative will determine the fee to be charged on an individual Client basis, based upon the complexity of the Client's situation, as well as the degree of service selected by the Client, which will generally range from \$100.00 to \$200.00 per hour of service, but may be negotiable. At the time of engagement the Client may be quoted a fixed fee for all or part of the services to be provided. In all cases, the fee arrangement is described in the Financial Planning Agreement and the fee payment may be paid by check according to the terms agreed upon in the Financial Planning Agreement.

This Financial Planning Agreement may be terminated (1) by Client, without penalty, upon written notice within five (5) business days after entering into this Agreement; or (2) upon receipt of written notice, by either Client or Advisor, provided that such termination does not cause the Client to forfeit any prepaid fees or such otherwise forfeitable fees are reimbursed to Client. In the event of termination after five (5) business days from the execution of this Agreement, Client will be entitled to a prorated refund of any prepaid financial planning fees.

The Client will also be able to engage the Advisory Representative to conduct a review on a periodic or annual basis for an hourly or fixed fee.

When you receive financial planning services you may also purchase securities or insurance products offered through Royal Alliance pursuant to the plan or consultation. Members of our Firm may receive commissions as Registered Representatives of Royal Alliance or insurance agents in connection with such transactions. Thus, we may have a conflict of interest when providing financial planning services to you as there may be an incentive for us to recommend specific courses of action through our financial planning services that may lead to members of our Firm receiving additional compensation.

Please be aware that you are under no obligation to purchase products or services recommended by us or members of our Firm in connection with our providing you with financial planning services, or any advisory service that we offer.

Additional Fees and Expenses:

Mutual fund investments in the programs that we offer are no-load or load at NAV. Your mutual fund investments may be subject to early redemption fees, 12b-1 fees and mutual fund management fees as well as other mutual fund expenses. These fees are in addition to the fees and expenses referenced above. Please review the mutual fund prospectus for full details.

In addition to the per-trade transaction charges referenced above, you will also be subject to per-trade confirmation fees as disclosed on your trade confirmation (typically \$4.00 per trade) and an additional fee of \$1.50 for each trade confirmation that you do not elect to receive electronically. You may also be subject to an additional, per-trade transaction charge on the selling of certain securities as disclosed on your trade confirmation (generally less than \$1.00 on trades of \$50,000 or less). These fees are not shared with us but are transaction charges paid to Royal Alliance and our custodian. Please see Item 10 which explains our relationship with Royal Alliance.

There are additional fees relating to IRA and Qualified Retirement Plan accounts that you may incur such as maintenance and termination fees. You will find these fees disclosed in the account application paperwork provided to you associated with these accounts.

In addition to providing advisory services, our Advisory Representatives will likely also sell you securities products and other investment products in their capacity as registered representatives of Royal Alliance. We will receive additional compensation in connection with this activity and the amount of compensation will depend on the type of product purchased. We will have a greater financial incentive to sell certain products as opposed to others (for example, in the case of mutual funds those that have a higher 12b-1 fee than others). While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

Please be aware that you are under no obligation to purchase products or services recommended by us or members of our Firm in connection with providing you with any advisory service that we offer.

Item 6: Performance-Based Fees and Side-By-Side Management

We do not charge performance-based fees.

Item 7: Types of Clients

Our Clients consist of individuals, including high net worth individuals, and charitable organizations. The normal account minimums are as follows:

Third Party Advisory Services = Account minimums are disclosed in each respective managers Form ADV and associated paperwork which will be presented to you.

RASA 044 Accounts = \$10,000

V2A accounts = \$50,000

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

Methods of Analysis:

When analyzing investments that may be right for you, we use both Fundamental and Technical Analysis. Fundamental analysis is security analysis grounded in basic factors such as company earnings, balance sheet variables and management quality which are used to predict the future

value of an investment. Information such as interest rates, GNP, inflation and unemployment may be used to predict the direction of the economy and therefore the stock market. Technical analysis is the practice of using statistics to determine trends in security prices and make or recommend investment decisions based on those trends. Technical analysis focuses on matters such as trade volume, demand, and volatility to help determine the market forces at work on a certain security or on the securities market as a whole.

Investment Strategies:

Investment strategies are designed to satisfy a hierarchy of Client goals and objectives. First, a Client's need for short term cash flow and liquidity are considered. Appropriate investment vehicles and a cash reserve are recommended. Second, long-term growth needs combined with continuing liquidity needs are examined. Investments are selected which appear attractive for long-term growth and which are readily convertible to cash should circumstances warrant. Once these first two needs are satisfied, we generally advise the long-term purchase of mutual funds to our Clients. Long-term purchases are typically defined as the purchase of securities held for at least a year.

In some cases, we recommend the purchase of other securities such as exchange traded funds (ETFs), stocks, bonds or CDs. Occasionally, we may recommend short-term purchases, which are typically defined as the selling of securities within one year of purchase.

Associated Risks:

When using Fundamental Analysis, we generally rely on, among other things, company earnings, balance sheet variables and management quality which are used to predict the future value of an investment. Data we review is generally considered reliable but we can not guarantee nor have we verified its accuracy. In addition, the data that we review is sometimes subjective in nature and open to interpretation. Even if our data and interpretation of the data is correct, there may be other factors that determine the value of securities other than those considered in Fundamental Analysis.

When using Technical Analysis we review statistics to determine trends in security prices and make our investment decisions based on those trends. This analysis may only be able to predict how an investment will perform short-term. In addition, this analysis does not take into account, the more fundamental properties of what an investment may be worth such as company performance and balance sheet variables which may play a part in determining the value of an investment.

When pursuing our long-term purchases strategy, we are assuming the Financial Markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall Financial Markets advance. In addition, purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

We primarily recommend mutual funds to you. Investing in mutual funds involves the assumption of risk including:

- Manager Risk: which is the risk that an actively managed mutual fund's investment Advisor will fail to execute the fund's stated investment strategy.
- Market Risk: which is the risk that the Stock Market will decline, decreasing the value of the securities contained within the mutual funds we recommend to you.
- Industry Risk: which is the risk that a group of stocks in a single industry will decline in price due to adverse developments in that industry, decreasing the value of mutual funds that are significantly invested in that industry.
- Inflation Risk: which is the risk that the rate of price increases in the economy deteriorates the returns associated with the mutual fund.

Investing in stocks involves the assumption of risk including:

- Financial Risk: which is the risk that the companies we recommend to you may perform poorly which will affect the price of your investment.
- Market Risk: which is the risk that the Stock Market will decline, decreasing the value of the securities we recommend to you with it.
- Inflation Risk: which is the risk that the rate of price increases in the economy deteriorates the returns associated with the stock.
- Political and Governmental Risk: which is the risk that the value of your investment may change with the introduction of new laws or regulations.

Investing in bonds involves the assumption of risk including:

- Interest Rate Risk: which is the risk that the value of the bond investments we recommend to you will fall if interest rates rise.
- Call Risk: which is the risk that your bond investment will be called or purchased back from you when conditions are favorable to the bond issuer and unfavorable to you.
- Default Risk: which is the risk that the bond issuer may be unable to pay you the contractual interest or principal on the bond in a timely manner or at all.
- Inflation Risk: which is the risk that the rate of price increases in the economy deteriorates the returns associated with the bond.

Using a short-term purchase strategy generally assumes that we can predict how Financial Markets will perform in the short-term which may be very difficult. There are many factors that can affect Financial Market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

Listed above are some of the primary risks associated with the way we recommend investments to you, please do not hesitate to contact us to discuss these risks and others in more detail. In instances where we recommend that a third party manage your assets, please refer to the third party's ADV and associated disclosure documents for details on their investment strategies, methods of analysis and associated risks.

Investing in securities involves risk of loss that you should be prepared to bear.

Item 9: Disciplinary Information

At the time of the initial registration of Financial Legacy Associates in April, 2003, we also filed to register our Independent Advisor Representatives. For reasons still not entirely clear, the State of Missouri approved some, but not all, of the Representatives' registrations. Financial Legacy and its Representatives believed that all Representatives had been approved, and conducted business as if they had been approved. In November, 2003, during the process of renewing the registration for 2004, we discovered that some Representatives' registrations were not recorded and brought the matter to the attention of the State. The State decided to resolve the matter through a Consent Order that stipulated we pay \$2,000 to the Missouri Secretary of State's Investor Education Fund. We paid this amount on December 8, 2003.

Item 10: Other Financial Industry Activities and Affiliations

All representatives of our firm that provide advice to you ("Advisory Representatives") are associated with Royal Alliance Associates, Inc. ("Royal Alliance") as Registered Representatives. Royal Alliance is a diversified financial services company registered with the Financial Industry Regulatory Authority ("FINRA") as a broker-dealer engaged in the offer and sale of securities products. Our Advisory Representatives may recommend the purchase of securities offered by Royal Alliance. If you purchase these products through them, they will receive normal commissions which may be in addition to customary advisory fees. As such, Advisory Representatives may have an incentive to sell you commissionable products in addition to providing you with advisory services when such commissionable products may not be suitable. Alternatively, they may have an incentive to forego providing you with advisory services when appropriate, and instead recommend the purchase of commissionable investments, if they deem that the payout for recommending the purchase of these investments would be higher than providing management advice on these products for an advisory fee. Therefore, a conflict of interest may exist between their interests and your best interests.

While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

Please be aware that you are under no obligation to purchase products or services recommended by us or members of our Firm in connection with providing you with any advisory service that we offer.

Item 11: Code of Ethics

We have adopted a Code of Ethics (the "Code") to address securities-related conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes our policies and procedures developed to protect your interests in relation to the following topics:

- The duty at all times to place your interests first;

- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the Code and to avoid any actual or potential conflict of interest or any abuse of an employee's position of trust and responsibility;
- The fiduciary principle that information concerning the identity of your security holdings and financial circumstances are confidential; and
- The principle that independence in the investment decision-making process is paramount.

We will provide a copy of the Code to you or any prospective Client upon request.

We may recommend securities to you or buy or sell securities for your account at or about the same time we may buy or sell the same securities in our own account. As such, there may be instances where our interests may appear to be placed ahead of yours. To mitigate this conflict, our firm policy prohibits us from receiving a better price on our order, if you and we invest in the same security on the same side of the market on the same day.

Item 12: Brokerage Practices

As described in Item 10, our Advisory Representatives are also Registered Representatives of Royal Alliance, a FINRA registered broker-dealer. In order to meet its FINRA supervisory obligations, Royal Alliance requires that all investment advisory activities that we conduct be processed through Royal Alliance's clearing relationships with Pershing LLC ("Pershing"). As a result, we do not have the discretion to choose the broker-dealer or commission rates to be paid. However, we do believe that Pershing's blend of execution services, commission and transaction costs as well as professionalism will allow us to seek best execution and competitive prices.

In connection with the provision of Third Party Advisory Services, our choice of custodian will be limited to those choices offered by the Third Party Advisory Service.

We may aggregate your orders with those of other Clients in a bunched trade or trades when securities are purchased or sold. For each account that we include in the bunched trade, we must reasonably believe that the bunched order is consistent with our duty to seek best execution and may benefit you and each Client participating in the aggregated order. The average price per share of each bunched trade is allocated to each account that participates in the bunched trade. Accounts that participate in the same bunched trade are charged transaction costs, if applicable, in accordance with their advisory contracts.

If a bunched order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation. Partial fills will be allocated in a way that does not consistently advantage or disadvantage particular Client accounts and are generally filled pro-rata among participating accounts.

The aggregation and allocation practices of mutual funds and third party managers that we recommend to you are disclosed in the respective mutual fund prospectuses and third party manager disclosure documents which will be provided to you.

Item 13: Review of Accounts

Each investment advisory account is reviewed at the time a Client enters into a financial advisory agreement. Thereafter, managed accounts are reviewed at least quarterly. Other accounts are reviewed at least annually, depending on the needs and instructions of the Client. Significant market activity or account appreciation or depreciation generally will trigger a review. Transaction reviews occur on receipt by us of Client confirmation statements. Each Representative of Financial Legacy is responsible for reviewing his/her customer accounts individually or with an assistant.

Investment advisory Clients will receive a written report relating to Financial Legacy's investment analysis or financial planning services. Reports to Clients with managed accounts will be prepared and sent quarterly containing current holdings and performance over a recent period of time. The frequency of reports to other Clients is determined by the needs and directions of the Client. Clients also receive account statements from their broker-dealer on a periodic basis (usually monthly or quarterly) as established by such broker-dealer.

Item 14: Client Referrals and Other Compensation

As discussed previously, all our Advisory Representatives are Registered Representatives of Royal Alliance. This arrangement requires us to offer you advisory services and programs sponsored or approved by Royal Alliance. Royal Alliance sets limits on how much we can charge you for these advisory services. Some advisory programs have higher fee limits than others. As such, there may be an incentive for us to recommend to you advisory services or programs with higher limits. In addition, Royal Alliance may charge us certain usage fees and expenses to use their advisory programs which may decrease the amount of money we make when offering investment advice to you. Therefore, there may be an incentive to provide you with advisory programs and services that may be cheaper for us to use but not as suitable to your needs as other advisory programs that Royal Alliance sponsors which may be more expensive for us to use.

In addition, Royal Alliance offers our Advisory Representatives educational, training and incentive programs for those Advisory Representatives that meet certain sales production goals. There may be an incentive for us to manage your account in ways that assist us in meeting these production goals even if such strategies may not always be suitable for your account.

Certain Third Party Advisory Service programs may provide our Advisory Representatives with the opportunity to attend training or education conferences. Such conferences include the payment or reimbursement of travel, meals and lodging expenses for attendees. Payment/reimbursement of expenses is not contingent upon sales targets or contests, but rather on total assets managed on their respective Third Party Advisory Service platforms. We may have an incentive to recommend Third Party Advisory Service programs that provide us with the above referenced opportunities over those that do not.

Royal Alliance has provided some of our Advisory Representatives with funding in the form of loans as incentive to establish, maintain or expand our broker-dealer relationships with Royal Alliance. Such loans are typically used to assist in the transition and expansion of our practice.

All or a portion of the loans require cash repayments of principal and interest if specific production levels are not achieved over a specified time frame. Any year in which the practice achieves its production levels initiates pro rata loan forgiveness by Royal Alliance. Thus, there may be an incentive for us to offer advisory services and programs to you that may not be suitable in an effort to achieve specific production levels.

While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

Item 15: Custody

Not applicable, we do not maintain custody of your assets. Your account assets are maintained at Pershing, LLC.

Item 16: Investment Discretion

We may manage your accounts on a discretionary basis upon obtaining your consent. Your consent is typically granted and evidenced in the client agreement that you sign with us. We define discretion as: the ability to trade your account, without obtaining your prior consent, the securities and amount of securities to be bought or sold, and the timing of the purchase or sale. It does not extend to the withdrawal or transfer of your account funds.

Item 17: Voting Client Securities

We do not have the authority to vote proxies solicited by, or with respect to, the issuers of securities held in your account. Typically, proxy materials will be forwarded to you by our custodian. We will forward proxy materials that we may receive to you. Please contact us at any time with questions you may have regarding proxy solicitations.

Item 18: Financial Information

In certain circumstances our Advisory Representatives may use investment discretion in your account, subject to your approval. We are well capitalized in full compliance with applicable regulations and do not foresee any financial conditions that may impair our fulfillment of reasonable obligations or contractual commitments to you.

Item 19: Requirements for State-Registered Advisors

Not applicable, we are an SEC registered investment Advisor.