

## **Legacy Planning Group, Inc dba Common Sense Advisors**

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2/17/2011

This Brochure provides information about the qualifications and business practices of Legacy Planning Group, Inc. [“ADVISER”]. If you have any questions about the contents of this Brochure, please contact us at 423-913-2950 or [jeff@commonsenseadvisors.com](mailto:jeff@commonsenseadvisors.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Legacy Planning Group, Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Legacy Planning Group, Inc. is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated 2/17/2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Jeffrey Voudrie, President at 423-913-2950 or [jeff@commonsenseadvisors.com](mailto:jeff@commonsenseadvisors.com).

Additional information about Legacy Planning Group, Inc. is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with Legacy Planning Group, Inc. who are registered, or are required to be registered, as investment adviser representatives of Legacy Planning Group, Inc.

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## Item 4 – Advisory Business

Legacy Planning Group, Inc., a Tennessee corporation (“Legacy”), doing business as Common Sense Advisors, offers customized, comprehensive investment supervisory services to its clients. The principal owners are Jeffrey D. Voudrie and Julie A. Voudrie. We are a boutique firm serving a small group of clients nationwide.

Legacy includes limited financial planning services as part of the investment supervisory services fee when the amount under management is \$500,000 or more. In situations in which Legacy does not provide investment supervisory services, an associate may provide investment advice through consultations for an hourly rate of \$300. Associated persons of Legacy may provide general non-investment advice on topics including limited or comprehensive financial planning. Fees are billed at a rate of \$300 per hour and are paid as services are rendered. Fees are negotiable.

Legacy does not take custody of client assets (the client does authorize Legacy to deduct its quarterly fee directly from the account). Accounts are established in the client’s name and Legacy is given discretionary trading authority on the accounts. The client can terminate that authority at any time by contacting the custodian directly.

Legacy specializes in managing money for its supervisory clients and has developed proprietary systems that have been awarded 3 U.S. Patents. The approach, investments and strategies used can be tailored to the unique needs of each client and are based on consultation with the client. Changes and adjustments can be made as needed to better align our services with the needs and desires of the client. Clients may impose restrictions on investing in certain securities or types of securities. The client can also have as much (or little) involvement in the process as they desire.

The types of investments used may include (i) any publicly-traded, domestic or foreign share of capital stock, (ii) any mutual funds shares or annuities, (iii) any United States government securities, (iv) any corporate debt securities other than commercial paper, (v) any certificates of deposit, (vi) any municipal securities, (vii) any derivative investment including futures and/or options, (viii) any direct participation programs including without limitation alternative energy programs, research and development programs and leasing programs, or (ix) foreign exchange and/or transactions in foreign currencies. Additionally, Legacy may recommend investments and/or separate account/private money managers that invest in futures and/or commodities.

Legacy manages client funds on a discretionary basis. That means that we handle the day-to-day activities such as which investment and what amount to buy or sell. The client is

able to view any trading activity by logging directly into the custodian website. As of 3/1/2011, Legacy manages roughly \$20 million in discretionary money.

For a more in-depth description of the methods of analysis, investment strategies and risk of loss please see Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

## Item 5 – Fees and Compensation

Clients are charged a quarterly fee that is billed quarterly and payable in advance at the beginning of each quarter. Each quarterly billing is one quarter (25%) of the appropriate annual fee applied to the market value of the account, including cash equivalents, on the last day of the previous quarter. The management fees are deducted directly from the client accounts as authorized in writing when the account is opened, so the client does not need to send a check to Legacy each quarter.

| Portfolio Size Annual Fee  |            |
|----------------------------|------------|
| \$100,000 to \$499,999     | 1.30%      |
| \$500,000 to \$999,999     | 1.20%      |
| \$1,000,000 to \$1,999,999 | 1.05%      |
| \$2,000,000 to \$4,999,999 | 1.00%      |
| \$5,000,000 and above      | Negotiable |

Legacy's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, 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 funds 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 Legacy's fee, and Legacy shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that Legacy considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

Client accounts that are initiated mid-quarter are charged a pro rata fee for the fraction of the quarter during which the assets are under management. Client accounts that are terminated mid-quarter are rebated the pro rata fee for the fraction of the quarter during which the assets are not under management. Fees are negotiable.

## TERMINATION

This Agreement may be terminated, with or without cause, (i) by the Client at any time or (ii) by the Adviser at any time upon thirty days' advance written notice to the Client. In the event the Agreement is terminated, terms of orderly liquidation will be mutually agreed upon at the time of termination by the Client and Adviser, with due regard for the best interests of the Client and Account. Notwithstanding anything in this Agreement to the contrary, this Agreement may be terminated by the Client, without penalty and with a full refund of all fees paid by the Client, within five (5) business days of the date hereof.

## BILLING AND REFUND POLICY

Client accounts that are initiated mid-quarter are charged a pro rata fee for the fraction of the quarter during which they are under management. Client accounts that are terminated mid-quarter are rebated the pro rata fee for the fraction of the quarter during which they are not under management.

Minimum Portfolio is \$250,000. Fees are negotiable.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

Legacy does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **Item 7 – Types of Clients**

Legacy provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans nationwide. The minimum investment is \$250,000.

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

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

Legacy typically utilizes multiple strategies and investment philosophies in a client's portfolio and may adjust the strategy and amount allocated to it at any time based on events in the world, the economy and the markets. We do not limit ourselves to single 'approach' to investing but instead seek to find what works best in a given market.

Some strategies may invest in foreign stocks directly on foreign exchanges and/or may involve positions in foreign currencies. Investing in foreign instruments involves additional risk including the risk of loss due to changes in exchange rate. Brokerage, exchange and transaction fees may be higher.

Our strategies may utilize proprietary and other money management methods designed to limit the potential for loss while increasing the possibility of greater returns. These methods may involve liquidating all or a portion of a security position as the market value of that position drops beyond a pre-determined tolerance level, subject to the judgment and discretion of Legacy. The liquidation may be below the value of the original investment resulting in a loss or the liquidation may be to lock in unrealized gains which would result in a profit. The purpose of liquidation is to prevent the client portfolio from suffering additional losses of principal and/or unrealized profits.

Additionally, these methods involve the use of technical indicators to determine when a security should be purchased, with the aim of purchasing that security at the beginning of an upward trend. Therefore, the aim of these methods is to liquidate all or a part of a security early in a decline in value and then repurchasing the same security at a later time.

These methods could result in numerous transactions each month, thus creating short-term gains and losses. Short term gains and losses may be taxed at a higher rate than long-term gains and losses depending on the investor's personal tax situation. As a result, these methods are designed primarily for use in qualified accounts. There are no guarantees that these methods will be successful in producing their desired result. Even when performing as expected, there may be many transactions that result in a loss. There will be times when the price of an underlying security goes up following liquidation or down following a purchase. Depending on the security, there may be transactions fees and/or other brokerage costs on each trade which can negatively impact an investor's return.

These money management methods involve the use of computers and other electronic devices, electronic communications mediums such as the internet, cable, satellite and/or telephone; computer software; and information from third party sources. Legacy shall not be liable for any losses caused directly or indirectly from any cause or condition beyond our control. These causes and conditions include, but are not limited to, government restriction, exchange or market rulings, suspension of trading, computer or software failure, power failure, failure of electronic or mechanical equipment or communication lines, problems associated with access to the Internet, unauthorized outside access to electronic communications systems, and other electronic communication system disruptions due to theft, severe weather, floods, earthquakes, or other acts of God, fire, war, insurrection, terrorism, riot, and labor disputes. The availability and response times of the

systems utilized in this money management method are subject to market conditions and possible unscheduled outages.

Although the information relied on by the system is obtained or compiled from sources we believe to be reliable, we do not guarantee that such information, or the system, will be free from errors, omissions, interruptions, deletions, delays, losses, or defects, whether human or mechanical, nor do we guarantee their timeliness, sequence, accuracy, or completeness.

### **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Legacy or the integrity of Legacy's management. Legacy has no information applicable to this Item.

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

#### **OTHER BUSINESS ACTIVITIES**

Legacy provides limited and/or comprehensive financial planning and other general non-securities advice as needed. Investment Advisor Representatives (IARs) are also licensed life, health and accident insurance brokers with all the appropriate state Departments of Insurance. IARs spend approximately 1 percent of their time engaged in these activities.

#### **OTHER FINANCIAL INDUSTRY ACTIVITIES OR AFFILIATIONS**

The associated persons of Legacy are licensed life, health and accident insurance brokers with all the appropriate state Departments of Insurance, and may receive customary commissions on insurance products sold. In such instances, there is no investment advisory fee associated with these insurance products.

### **Item 11 – Code of Ethics**

#### **PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**

Legacy, its associates, employees and members of their respective immediate families, may buy or sell for their own accounts securities or other investment products recommended to clients and thus may have an interest or account position in securities or investment products which may be recommended to clients. Such affiliated persons of Legacy may take

positions in securities that are contrary to the positions recommended to clients. All transactions by Legacy's affiliated persons are likely to be insignificant to the market as a whole and in no case will securities held by affiliated persons be directly sold to or bought from Legacy's clients. Legacy also has internal procedures to be followed for transactions in employee and related accounts which include, among other provisions, guidelines dictating that purchases and sales for client accounts should precede transactions on behalf of employee accounts. These policies and procedures are intended to prevent employees from benefiting from transactions placed on behalf of client accounts. A copy of Legacy's Code of Ethics is available upon request.

## **Item 12 – Brokerage Practices**

Legacy's investment advisory client accounts are managed on a discretionary basis subject to limitations imposed by the client's stated investment objectives, guidelines and/or restrictions as well as any regulatory limitations. Legacy is provided with written authority to determine which securities are to be bought and sold and the amounts thereof. Changes to the stated investment objective, guidelines and/or restrictions, as well as to Legacy's written authority, may be made by the client.

Legacy does not have discretion to choose the broker or dealer, but may suggest that clients utilize certain broker dealers to facilitate transactions for various reasons, which may include the broker or dealer's ability to track performance of the client's investments and other reasons discussed below. Not all advisors require their clients to use a specific brokerage.

Subject only to any client direction to utilize a particular broker or dealer for execution of transactions in that client's account, Legacy's overriding objective in effecting portfolio transactions is to seek to obtain the best combination of price and execution. The best net price, giving effect to brokerage commission, if any, and other transaction costs, is normally an important factor in this suggestion, but a number of other judgment factors may also enter into Legacy's decision to suggest a broker or dealer. These include: Legacy's knowledge of negotiated commission rates currently available and other current transaction costs; the nature of the security being traded; the size of the transaction; the desired timing of the trade; the activity existing and expected in the market for the particular security; confidentiality; the execution, clearance and settlement capabilities of the broker or dealer selected and others which are considered; Legacy's knowledge of the financial stability of the broker or dealer selected and such other brokers or dealers; Legacy's knowledge of actual or apparent operational problems of any broker or dealer. Recognizing the value of these factors, the broker or dealer suggested by Legacy may result in the client paying a brokerage commission in excess of that which another broker might

have charged for effecting the same transaction. Evaluations of the reasonableness of brokerage commission, based on the foregoing factors, are made on an on-going basis.

Depending on the brokerage, it is Legacy's policy to aggregate the purchase or sale of securities for various client accounts in order to obtain the lowest possible transaction/commission costs. There may be times when an order is not aggregated that may result in the client paying higher transaction/commission costs that would be paid if the order had been aggregated.

Legacy receives soft dollar benefits from brokerage firms such as access to research tools and access to research developed by that brokerage. The availability of this research was not a major factor in the decision to use any particular custodian.

### **Item 13 – Review of Accounts**

Jeffrey D. Voudrie, President and CEO of Legacy frequently and regularly reviews client investment advisory accounts based upon the specific needs, risk tolerance and investment strategy employed by each client.

Appropriate tolerance levels are assigned to investments within an advisory account. Proprietary software is then used to monitor those investments. If investment performance falls outside of preset tolerances, Mr. Voudrie is alerted and can review the investments based on economic, political or market events and/or changes in a client's personal situation.

Clients utilizing the investment advisory services of Legacy will receive monthly, quarterly and/or annual statements from investment companies, product sponsors, broker/dealers and/or custodians. Depending on the custodian and/or the desires of the client, these reports may be available solely in an electronic format. In addition, Legacy will provide written reports for each investment advisory account under discretionary management on a quarterly basis.

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

Legacy does not pay or receive compensation for client referrals.

### **Item 15 – Custody**

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

### **Item 16 – Investment Discretion**

Legacy usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Legacy observes the investment policies, limitations and restrictions of the clients for which it advises.

Investment guidelines and restrictions must be provided to Legacy in writing and included in the Investment Management Agreement which is signed by both parties at the outset of the relationship and whenever material changes in the guidelines or restrictions occur.

### **Item 17 – Voting *Client* Securities**

As a matter of firm policy and practice, Legacy does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Legacy may provide advice to clients regarding the clients' voting of proxies.

### **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Legacy's financial condition. Legacy has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

### **Item 19 – Requirements for State-Registered Advisers**

#### **STANDARDS FOR EDUCATION AND BUSINESS EXPERIENCE**

Legacy requires each individual who will be involved in determining or giving investment advice to clients to have a college degree or experience in the securities industry. Legacy also requires that associated persons pass exams required by various regulatory agencies. Oftentimes, this will require the associated person to pass the North American Securities Administrators Association, Inc.'s Series 65 Uniform Investment Adviser Law Examination, the Series 66 Uniform Investment Adviser Law Examination, or earn the Certified Financial Planner (CFP) designation. Legacy also examines the overall experience and capability of the individual before allowing him or her to offer financial planning and/or other investment advisory services.

#### **EDUCATION AND BUSINESS BACKGROUND**

Jeffrey D. Voudrie, a major shareholder and the President of Legacy, was born in 1964. He received a B.S. in Accounting, graduating cum laude from Milligan College in Tennessee. He is a Certified Financial Planner (CFP). During the last 15 years, Mr. Voudrie has worked as a Vice President for First Tennessee Brokerage before founding Legacy in 2001. Mr. Voudrie was a registered representative with Commonwealth Financial Network until 2003 when he deactivated his securities license to become an independent, fee-based investment advisor.

Julie A. Voudrie, a major shareholder and Secretary of the Board, was born in 1967 and is a native of Johnson City. She is intimately involved in Legacy's strategic planning, marketing and advertising. Mrs. Voudrie is not involved in Legacy's day to day activities nor does she provide any investment advice. A graduate of Science Hill High School in Johnson City, TN, Mrs. Voudrie's educational background includes two years of study at East Tennessee State University. She has written and published four children's storybooks, over 20 episodes of a children's radio program and the scripts for 11 children's Bible stories. Additionally, she served as a staff writer of newsletters and catalogs serving the Christian bookstore industry. Recently, she is the teacher of the Voudrie's seven home-schooled children.