

## Legacy Wealth Advisors, LLC

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November 29, 2011

This brochure provides information about the qualifications and business practices of Legacy Wealth Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at the telephone number and/or e-mail address above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority.

Legacy Wealth Advisors, LLC is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training. The verbal and written communications of an investment adviser provide you with information you need to determine whether to hire or retain the advisor.

Additional information about Legacy Wealth Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Legacy Wealth Advisors, LLC

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The initial submission of this Disclosure Brochure was dated February 28, 2011.

In an amendment dated November 29, 2011, item 14 was updated to reflect the fact that we pay a solicitor for client referrals.

## ITEM 3

### TABLE OF CONTENTS

Item 1: Cover Sheet	
Item 2: Material Changes	
Item 3: Table of Contents	
Item 4: Advisory Business .....	1
Who we are .....	1
Services we offer.....	1
Assets under management.....	2
Item 5: Fees and Compensation .....	2
Financial Planning .....	2
Wealth Advisory Services.....	3
Item 6: Performance-Based Fees and Side-By-Side Management .....	4
Item 7: Types of Clients.....	4
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss.....	4
Item 9: Disciplinary Information .....	5
Item 10: Other Financial Industry Activities and Affiliations .....	5
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	5
Code of Ethics.....	5
Personal Trading for Associated Persons.....	6
Item 12: Brokerage Practices .....	6
Item 13: Review of Accounts.....	6
Item 14: Client Referrals and Other Compensation.....	7
Item 15: Custody.....	7
Item 16: Investment Discretion.....	7
Item 17: Voting Client Securities.....	7
Item 18: Financial Information .....	7

## ITEM 4: ADVISORY BUSINESS

### Who we are

Legacy Wealth Advisors, LLC (referred to as “we,” “our,” “us,” or “LWA”), has been registered as an investment advisor since August 2000. Our principal officer is Edwin Ryu.

### Services we offer

LWA is an independent, fee-only registered investment advisory firm.

#### Wealth & Investment Advisory Services

We develop investment strategies which are unique to you. Part of this process includes providing you with our assessment of macroeconomic and financial market trends. With this top-down approach, we assess how these trends may affect your portfolio. This process typically encompasses the following steps:

**STEP 1:** Risk Assessment. We employ such tools as questionnaires and extensive interviews to determine your appropriate return expectations, risk tolerances and asset allocations.

**STEP 2:** We help you identify and retain third party managers to oversee your account based on your risk assessment and preferences. Client preferences can include cost sensitivity considerations, tactical vs. buy and hold orientation, tax efficiency concerns, etc. These relationships fall into 2 categories:

- 1) We may place you with third party managers that will provide portfolio management. In most cases, we have the authority to move your account between different asset allocation models or go out of models altogether, if necessary.
- 2) We place you with SEI, where we have authority to rebalance and reallocate your account as needed.

**STEP 3:** Provide ongoing monitoring of your investments with third party managers.

For clients who have holdings that cannot be readily sold or transferred, we will monitor the holdings and build custom portfolios around those positions.

By using questionnaires, client informational forms and multiple interviews, we design a customized investment strategy for each client. We attempt to incorporate all of the client's existing holdings including securities accounts custodied elsewhere, real estate and private equity, before making investment recommendations. The goal is to then maintain a comprehensive overview of a client's investments when making asset allocation decisions.

In limited cases, we can provide socially conscious stock screening services through third party managers.

The bulk of the discretionary managed assets are placed with third party managers.

For assets which are not with third party managers under LWA auspices e.g. 401(k) & 403(b) accounts and variable annuities, we still monitor and oversee these non-discretionary assets. Since we assist clients

with maintaining their overall asset allocations within their pre-designated risk tolerance ranges, we require that clients provide us with detailed data including account statements and/or downloads. When possible, we are set up to receive duplicate statements for these accounts so that we can review activity on a regular basis. In certain instances, we also assist clients with making appropriate investment decisions with respect to these assets.

### Financial Planning Services

We offer limited financial planning and modeling services to clients as agreed upon in the Wealth Management Agreement's Schedule of Services to be Provided. This can include cash flow analyses and insurance and retirement planning. With the client's current and future estimated inflows and outflows, we can project how their portfolio will fare under different investment environment scenarios. We work with clients' estate planning attorneys, CPAs and insurance agents with respect to assisting clients with income tax and estate tax planning.

We gather relevant financial planning information from the client by conducting interviews and using various firm forms including detailed budgeting. We also work with clients to incorporate future income projections as well as take into account critical items such as tax loss carry forwards. Under different investment growth assumptions, we utilize software to generate various financial planning scenarios to assist with retirement planning and gifting strategies.

### Assets under management

As of December 31, 2010, we manage assets of \$48,400,000 on a discretionary basis and \$16,300,000 on a non-discretionary basis.

## ITEM 5: FEES AND COMPENSATION

### Financial Planning

Financial planning services can be provided for a fixed fee ranging from \$1,500 to \$25,000, based on the complexity of the project, or on an hourly basis with a rate up to \$500 per hour. We will provide you with an invoice when the services are completed. We expect payment of the invoice upon receipt.

Additional fees, to be mutually agreed upon in advance, may be charged for specialized services not anticipated in the original fee. Hourly fees, where applicable, are charged at a rate of up to \$400 per hour depending on the complexity of the service provided.

You may terminate your financial planning contract by providing written notice. Fees are billed for services provided up to the date of termination.

We have a conflict of interest when providing financial planning advice. When you implement the financial plan through us, we receive the customary fees as disclosed in the following section. You are not required to employ us to implement the financial plan, or implement the plan, or any portion of it, at all.

Most financial planning services are “bundled” as part of the Wealth Advisory Services which are described below.

## Wealth Advisory Services

Fees for LWA Wealth Advisory Services are negotiated and range from 0.5%-2% per year of the assets under management. When determining our fee, we consider the size of the portfolio, complexity of the investment issues, configuration of third party managers used and the amount of ongoing professional time required to manage the investment process and financial planning work.

**Assets held with third party managers (Gemmer, Niemann, Potomac and ThinkEquity):** For these accounts we are compensated by the third party manager. Our fee is a percentage of the total fees the third party managers bill your accounts. Managers debit the fees directly from accounts on a quarterly basis. LWA has a solicitor agreement with each manager that sets forth the total fee and the portion of the fee received by LWA. In these cases, we will provide you with a disclosure statement which details our fee arrangement with the third party manager and a copy of the Form ADV Part 2 for that manager.

**Assets held at KCM:** Generally, assets managed by KCM are billed a total fee of 0.75% to 1% annually. KCM's portion of the fee (0.25%) is debited directly from the account on a quarterly basis as agreed upon in their Investment Management Agreement. The LWA fee is charged separately and ranges from 0.50% to 0.75% per annum. LWA invoices the client in arrears on a quarterly basis.

**Assets held at SEI:** SEI bills accounts for LWA fees in arrears at the negotiated rate which ranges from 0.5%-2%. SEI bills and debits accounts on a quarterly basis and forwards our management fees. SEI's compensation is generally derived from the internal expenses of the mutual funds used in client portfolios.

We predominantly use the SEI Asset Allocation Program and on a limited basis, we use the MAP/IMAP program.

SEI requires that clients provide authorization to have advisory fees deducted directly from the client account. Details regarding this authorization are provided in their agreement with you. Other third party managers also require or request that you provide authority for the direct payment of their fees. In no case does LWA have authority to withdraw fees or other funds from your account.

In all cases, the total fee paid to SEI or third party managers is disclosed in the LWA Wealth Management Agreement as well as the portion paid to LWA.

Wealth Advisory Services may be terminated by you with a complete refund of any prepaid fees within five (5) days of the original engagement. After that initial period, Wealth Advisory Services may be terminated by either you or LWA at any time by providing thirty (30) days written notice to the other party.

### Other Costs Involved

In addition to our advisory fee shown above, you are responsible for paying fees associated with investing for your account. These fees include:

- mutual fund loads (if applicable). These charges are paid to brokers as a form of commission.
- management fees for ETFs and mutual funds. These are fees charged by the managers of the ETF or mutual fund and are a portion of the expenses of the ETF or mutual fund.

- brokerage costs and transaction fees for any securities or fixed income trades. These are generally charged by your custodian and/or executing broker.

These costs are more fully disclosed in the disclosure you will receive from the third party manager providing services.

We believe the fees mentioned above are competitive; however you may be able to obtain similar services from other sources at a lower price.

## ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

We do not receive performance fees for managing accounts.

## ITEM 7: TYPES OF CLIENTS

LWA provides wealth management and investment advice to high net worth individuals, families and institutions.

Generally we require that you maintain \$1,000,000 under management with us. However, we may waive that minimum at our sole discretion.

## ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

LWA recommends utilizing a core and satellite strategy when building portfolios. We use core MPT-based investment platforms such as Gemmer Asset Management and SEI Investments which offer asset allocation models ranging from 0% to 100% equity exposure with balanced portfolios between the two ends of the spectrum. We also use satellite equity managers such as ThinkEquity and Niemann Capital Management who deploy tactical strategies. When selecting tactical managers, we target a 10+ year track of successful performance history. We have a fixed income manager, KCM Investment Advisors, who ladders bonds in client portfolios where appropriate. Additionally, private placement offerings are available to clients which may provide access to real estate and private equity exposure.

In many cases, the third party managers have internal questionnaires to supplement our own, which help gauge client return expectations and risk tolerance. As some of these strategies may not conform with client preferences and objectives, we try to customize the portfolio accordingly.

Analytical tools used by LWA include Zephyr, Morningstar and eMoney Advisor. We also have access to research teams and related resources at several of the third party managers who we work with.

Material risks associated with investment strategies of the third party managers we utilize are disclosed within their marketing materials.

All investments involve different degrees of risk. You should be aware of your risk tolerance level and financial situations at all times. We cannot guarantee the successful performance of an investment and we are expressly prohibited from guaranteeing accounts against losses arising from market conditions.

## ITEM 9: DISCIPLINARY INFORMATION

Registered investment advisors are required to disclose any material facts regarding any legal or disciplinary actions that would be material to your evaluation of the investment advisor and each investment advisor representative providing investment advice to you. We have no information of this type to report.

## ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Mr. Ryu is the principal of Legacy Real Estate Advisors (“LREA”). LREA primarily provides real estate consulting and property management services on a fee-only basis. Providing this service accounts for approximately 5% of Mr. Ryu’s time.

Clients are always informed that they may utilize other real estate consultants or property management companies, should they so choose. The number of said engagements is limited to one or two per year so conflicts rarely occur.

Mr. Ryu is a CPA and provides limited tax preparation services solely for family and friends. At no time does Mr. Ryu provide accounting advice to clients who do not fall into the family and friends category. Mr. Ryu expects to spend approximately 2% of his time acting in this capacity.

We assist clients in identifying third party managers to provide ongoing management of their assets. When we are paid a referral fee by the third party manager, a conflict of interest exists because we have the incentive to direct you to a manager who pays us a higher fee. The compensation we receive from the third party manager is disclosed on the solicitor’s disclosure statement we provide to you at the time of the referral.

## ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

### Code of Ethics

We have adopted a set of enforceable guidelines (Code of Ethics), which describes unacceptable conduct by LWA and our associated persons. Summarized, this Code of Ethics prohibits us from:

- placing our interests before yours,
- using non public information gathered when providing services to you for our own gains, or
- engaging in any act, practice or course of business that is, or might be considered, fraudulent, deceptive, manipulative, or in violation of any applicable law, rule or regulation of a governmental agency.

Please contact us if you would like to receive a full copy of this Code of Ethics.



## Personal Trading for Associated Persons

We may buy or sell some of the same securities for you that we already hold in our personal account. We may also buy for our personal account some of the same securities that you already hold in your account. It is our policy not to permit our associated persons (or their immediate relatives) to trade in a way that takes advantage of price movements caused by your transactions.

We may restrict trading for a particular security for our accounts or those of our associated person if there is a pending trade in that security in a client account. Trades for our accounts (and those of our associated persons) will be placed after client trades have been completed. When our trades are placed after our client trades, we may receive a better or worse price than that received by the client.

LWA and its associated persons may purchase or sell specific securities for their own account based on personal investment considerations without regard to whether the purchase or sale of such security is appropriate for clients.

All persons associated with us are required to report all personal securities transactions to us quarterly.

## ITEM 12: BROKERAGE PRACTICES

We do not have the authority to choose a broker/dealer to transact client trades, nor do we recommend broker/dealers to clients. The selection of the broker/dealer will be governed by the agreement the client signs with the third party manager.

## ITEM 13: REVIEW OF ACCOUNTS

### **Wealth & Investment Advisory Services**

LWA monitors the assets managed by the firms identified in Section 4 on a daily, weekly and/or quarterly basis depending on the assets. Reviews include, but are not limited to, examining clients' asset allocation, models that accounts are in, and any changes in clients' overall financial situation which might prompt a change in investment strategy. Third party manager and SEI model performance is examined at least monthly. LWA assists with terminating poor performing managers and allocating additional assets to managers who are performing well. We also perform ongoing due diligence on prospective new managers. All reviews are performed by Edwin Ryu, Principal.

We meet with clients throughout the year, generally between one and four times and by telephone conferences as needed. At these meetings, a summary of their assets & liabilities and asset allocation reports are reviewed with the client along with other relevant analyses as needed or requested.

### **Financial Planning Services**

We review financial plans if this is specified in the client agreement. Reviews are performed as requested by the client. The nature and extent of such reviews are determined by the client and advisor, Edwin K.S. Ryu, Principal.

## ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

We receive compensation from unaffiliated, third party managers when we refer clients. Please see “Item 10: Other Financial Industry Activities and Affiliations” for additional disclosure regarding this practice.

If you were referred to us by a solicitor, we pay that solicitor 30% of the fees we earn on your account. You do not pay increased fees if you were referred to us by a solicitor.

## ITEM 15: CUSTODY

We do not accept custody of client assets.

## ITEM 16: INVESTMENT DISCRETION

You may provide discretionary authority for us to manage your assets that are held at SEI, Gemmer, ThinkEquity and KCM. Discretionary authority means that you are giving us a limited power of attorney to place trades and/or change portfolio models on your behalf. This limited power of attorney does not allow us to withdraw money from your account.

You grant us discretionary authority by completing the following items:

- Sign a contract with us that provides a limited power of attorney for us to place trades on your behalf. Any limitations to the trading authorization will be added to this agreement.
- Provide us with trading authority in the paperwork you sign with SEI or the third party manager when you open your account.

Clients may specify certain holdings that they want to keep which may be segregated from the rest of the assets invested in models. Clients will direct LWA as to how to handle these positions.

## ITEM 17: VOTING CLIENT SECURITIES

We do not accept the authority to vote proxies on your behalf and we generally do not provide guidance about how to vote proxies. You will receive proxies and other related paperwork directly from your custodian. However, on a limited basis, we will provide guidance on how to vote a proxy.

## ITEM 18: FINANCIAL INFORMATION

As a registered investment advisor, we are required to provide you with certain financial information or disclosures about our financial condition. LWA 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.

**BROCHURE SUPPLEMENT**  
**ITEM 1: COVER SHEET**

**Edwin K. S. Ryu**

**Legacy Wealth Advisors, LLC**

2001 Gateway Place, #340E

San Jose, CA 95110

(408) 452-7700

November 29, 2011

This Brochure Supplement provides information about Edwin K. S. Ryu that supplements the Legacy Wealth Advisors, LLC Brochure. You should have received a copy of that Brochure. Please contact Edwin Ryu, Principal at (408) 452-7700 or ed@lwallc.com if you did not receive Legacy Wealth Advisors, LLC's Brochure or if you have any questions about the content of this supplement.

Additional information about Edwin K. S. Ryu is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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**ITEM 2: EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

Edwin K. S. Ryu was born in 1951. Mr. Ryu received a BA in Economics from Stanford University in 1976. He completed coursework in accounting, tax and finance at Golden Gate University from 1977-1979.

General Securities Registered Representative (Series 7), NASD – 1986 (expired)

**Employment Background**

Employment Dates:	12/1999 - Present
Firm Name:	Legacy Wealth Advisors, LLC
Type of Business:	Wealth Management/Investment Advisory
Job Title & Duties:	Investment Advisor Representative, Managing Member
Employment Dates:	1984 - Present
Firm Name:	Ryu & Company
Type of Business:	Tax & Consulting
Job Title & Duties:	Principal

### **Employment Background (continued)**

Employment Dates: 1984 - Present  
Firm Name: Legacy Real Estate Advisors  
Type of Business: Real Estate Consulting Services  
Job Title & Duties: Principal

Employment Dates: 2002 - 2009  
Firm Name: Chauner Securities, Inc.  
Type of Business: Broker/Dealer  
Job Title & Duties: Registered Representative

Employment Dates: 1996 - 2002  
Firm Name: Unison Capital Group, Inc.  
Type of Business: Broker/Dealer  
Job Title & Duties: Registered Representative

Employment Dates: 1995 - 2000  
Firm Name: Kendrick, Stimpfig & Ryu, Ltd.  
Type of Business: Financial Services  
Job Title & Duties: President

### **Professional Designations**

Certified Public Accountant (CPA) – 1981  
Real Estate Broker, State of California – 1985  
Personal Financial Specialist (PFS) – 2006

Certified Public Accountants (CPAs) are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education, experience and testing requirements for licensure as a CPA generally include minimum college education (typically 150 credit hours with at least a baccalaureate degree and a concentration in accounting), minimum experience levels (most states require at least one year of experience providing services that involve the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification by a CPA), and successful passage of the Uniform CPA Examination. In order to maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a two year period or 120 hours over a three year period). Additionally, all American Institute of Certified Public Accountants (AICPA) members are required to follow a rigorous Code of Professional Conduct which requires that they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interest (and obtain client consent if a conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees, and serve the public interest when providing financial services. The vast majority of state boards of accountancy have adopted the AICPA's Code of Professional Conduct within their state accountancy laws or have created their own.

The Personal Financial Specialist (PFS) credential demonstrates that an individual has met the minimum education, experience and testing required of a CPA in addition to a minimum level of expertise in personal financial planning. To attain the PFS credential, a candidate must hold an unrevoked CPA license, fulfill 3,000 hours of personal financial planning business experience, complete 80 hours of personal financial planning CPE credits, pass a comprehensive financial planning exam and be an active member of the AICPA. A PFS credential holder is required to adhere to AICPA's Code of Professional Conduct, and is encouraged to follow AICPA's Statement on Responsibilities in Financial Planning Practice. To maintain their PFS credential, the recipient must complete 60 hours of financial planning CPE credits every three years. The PFS credential is administered through the AICPA.

### ITEM 3: DISCIPLINARY INFORMATION

Registered investment advisors are required to disclose any material facts regarding any legal or disciplinary actions that would be material to your evaluation of each investment advisor representative providing investment advice to you. There is no information of this type to report.

### ITEM 4: OTHER BUSINESS ACTIVITIES

Mr. Ryu does not spend a substantial amount of time on any other business activities.

### ITEM 5: ADDITIONAL COMPENSATION

Mr. Ryu does not receive any economic benefit from any non-client for providing advisory services.

### ITEM 6: SUPERVISION

Mr. Ryu, Principal, is the owner and sole person providing investment advice on our behalf. His telephone number is (408) 452-7700.