

## Item 1. Cover Page

### **Part 2A of Form ADV Firm Brochure**

March 5, 2012

#### **Legacy Capital Partners, Inc.**

SEC File No. 801-8846

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This brochure provides information about the qualifications and business practices of Legacy Capital Partners, Inc. If you have any questions about the contents of this brochure, please contact us at [jbrigman@legacycapitalpartners.net](mailto:jbrigman@legacycapitalpartners.net). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or any State Securities Commission.

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

## **Item 2. Material Changes**

Initial publication date is March 31, 2011.

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## Item 4. Advisory Business

### A. Description of Your Advisory Firm

Legacy Capital Partners, Inc. ( "Legacy Capital" or "the firm"), a corporation formed under the laws of the state of Wisconsin, is an independent asset management firm offering discretionary asset management services to individuals, trusts, corporations, partnerships, retirement plans, tax exempt and other legal entities. Legacy Capital provides continuous investment supervisory service to its clients in advising them as to the purchase or sale of securities that are deemed best suited to their financial and personal requirements.

### B. Description of Advisory Services Offered

Each client relationship is under the direct, continuous management of an officer of the Legacy Capital.

#### B.1. Discretionary Asset Management Services – Private Accounts

For its discretionary asset management services, Legacy Capital receives a limited power of attorney to effect securities transactions on behalf of its clients. In addition, pursuant to the terms of its investment advisory agreement with clients, Legacy Capital will remind clients of their obligation to inform Legacy Capital of any modifications or restrictions that should be imposed on the management of their accounts. Legacy Capital may also contact clients periodically to determine whether there have been any changes in a client's personal financial circumstances, investment objectives and tolerance for risk.

Legacy Capital's discretionary asset management services are based on the client's investment objectives, goals, tolerance for risk, and other personal and financial circumstances. Legacy Capital will discuss and begin the process of analyzing each client's current investments, investment objectives, risk tolerance and financial circumstances and implement a portfolio consistent with such investment objectives, risk tolerance and related financial circumstances. Legacy Capital may engage third-party service providers to assist in providing services to clients. In addition, Legacy Capital may utilize third-party software to analyze individual security holdings that are held in the client's portfolio.

### C. Client-Tailored Services and Client-Imposed Restrictions

Each client's account will be managed on the basis of the client's financial situation and investment objectives and in accordance with any reasonable restrictions imposed by the client on the management of the account—for example, restricting the type or amount of security to be purchased in the portfolio.

### D. Wrap Fee Programs

Although Legacy Capital does not participate in wrap fee programs (which are programs that are offered for one all-inclusive fee), the firm does participate in separate account management

programs for Morgan Stanley Smith Barney and Wells Fargo Asset Management (herein referred to as "Third-Party SMA Programs"). In this arrangement, a client enters into a dual agreement with the Third-Party SMA Program Sponsor ("Sponsor") and Legacy Capital. Legacy Capital retains client suitability obligations, while the Sponsor assumes responsibility for client servicing and reporting. Such Sponsor is a FINRA-registered broker-dealer and a member of SIPC.

Legacy Capital's fees are billed separate and distinct from any fees charged by the Sponsor, including trading and custodian costs. Legacy Capital, subject to its best execution obligations, will trade through the Sponsor.

## **E. Client Assets Under Management**

Legacy Capital currently has \$213,000,000 in discretionary assets under management and \$4,000,000 of non-discretionary assets under management.

## Item 5. Fees and Compensation

### A. Methods of Compensation and Fee Schedule

#### A.1. Asset Management Fees

Asset-based fees are always subject to the investment advisory agreement between the client and Legacy Capital. Such fees are payable quarterly in arrears. Any fees charged by Legacy Capital are compensation for the firm's services only and are not intended to cover the costs of services provided by others. This includes commissions or transaction fees charged by broker-dealers for trades executed at Legacy Capital's direction, or fees paid by mutual funds and/or exchange traded funds to their investment advisors for the selection, analysis and trading of individual securities held by the fund. Any such fees will either be charged directly against the client's investment account or invoiced by the provider to the client directly.

Fees charged to clients whose accounts are already established are based on the fee in place at the time their investment advisory agreement was signed and may be different from clients who signed their agreement after that date. Fees for new accounts are payable quarterly in arrears at the end of each quarter based upon the most recent quarterly valuation of the account computed at the annual rates set forth below:

<u>Account Value</u>	<u>Annual Fee Rate</u>
First \$3,000,000	0.875%
Above \$3,000,000	0.625%

The minimum annual fee is \$5,000. As such, Legacy Capital's services are designed for the investor with an approximate minimum of \$600,000 of liquid assets. Clients with less than \$600,000 in liquid assets may be able to find similar services at prices more favorable than those charged by Legacy Capital. Fees may be negotiated higher or lower or on a performance basis under unusual account circumstances.

Performance-based fees are available for accounts with assets over \$1 million. Although the advisor strives to invest according to the objectives of each client, performance-based fees may create an incentive to take more risk and possibly favor such accounts over non-performance-based fee accounts in the allocation of trading opportunities.

The client authorizes the custodian to automatically deduct the advisory fee and all other charges payable hereunder from the assets in the account when due, with such payments to be reflected on the next account statement sent to the client. If insufficient cash is available to pay such fees, securities in an amount equal to the balance of unpaid fees will be liquidated to pay for the unpaid balance.

Generally, fees will be charged in arrears. The clients and the client's custodian or broker-dealer will be invoiced at the end of each calendar quarter, based upon the market value (plus any accrued interest and accrued dividends) of the client's account at the end of the quarter, as mutually agreed upon by the client and Legacy Capital.

The fees will be prorated if the investment advisory relationship commences or terminates otherwise than at the beginning of a calendar quarter. A client investment advisory agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. In the event of termination all earned, unpaid fees will be due and payable.

## **B. Client Payment of Fees**

Legacy Capital will not take custody or possession of client funds or securities at any time except to the extent that the firm may deduct fees directly from the client's account. Legacy Capital's fees will be billed directly to and paid from the client's account by the custodian of the portfolio unless other arrangements have been made.

Legacy Capital will deduct its advisory fees directly from the client's account provided that

- the client provides the qualified custodian written authorization
- the qualified custodian sends the client a statement, at least quarterly, indicating all amounts disbursed from the account

The client is responsible for verifying the accuracy of the fee calculation, as the client's custodian will not verify the calculation.

## **C. Additional Client Fees Charged**

The fees charged by Legacy Capital do not include fees charged by any exchange traded fund, mutual fund, or any broker-dealer or custodian selected by the client. The management fees for an exchange traded fund or mutual fund, are disclosed in the respective fund's prospectus. Clients are advised to read these materials carefully before investing. If a mutual fund also imposes sales charges, the client may pay an initial or deferred sales charge as further described in the mutual fund's prospectus. A client using Legacy Capital may be precluded from using certain mutual funds because they may not be offered by the client's custodian.

Fees charged by mutual funds and exchange traded funds are separate and apart from the advisory fees charged by Legacy Capital. Similarly, the fees charged by Legacy Capital do not include any fees charged by a broker-dealer or custodian retained by a client to implement Legacy Capital's advice or to otherwise hold the client's portfolio securities.

## **D. Prepayment of Client Fees**

Legacy Capital's fees will be disbursed to the firm by the qualified custodian of the client's investment accounts, subject to prior written consent of the client. The qualified custodian will deliver directly to the client an account statement, at least quarterly, showing all investment and transaction activity for the period, including fee disbursements from the account. If the client terminates the account, any earned and unpaid fees will be immediately due and payable.



## **E. External Compensation for the Sale of Securities to Clients**

Legacy Capital's financial advisors are compensated solely through a salary and bonus structure. Legacy Capital is not paid any sales, service or administrative fees for the sale of mutual funds or any other investment products.

## Item 6. Performance-Based Fees and Side-by-Side Management

Legacy Capital may charge performance-based fees to clients who have at least \$1,000,000 in portfolio assets managed by the firm, or who together with their spouse have at least \$1,500,000 in net worth. Clients are advised that performance-based fees involve a sharing of any portfolio gains between the client and the investment manager. Such performance-based fees create an economic incentive for the investment manager (Legacy Capital) to take additional risks in the management of a client portfolio that may be in conflict with the client's current investment objectives and tolerance for risk. No performance-based fees will be assessed until the portfolio, on a cumulative basis from account inception, is in a net gain position. Performance-based fees are in addition to the asset-based fees detailed in Item 5 of this Brochure. Clients are also advised that as a result of the standard asset-based fee and the performance-based fee, the investment manager has an economic incentive to recommend a performance-based fee structure.

Performance based fees may only be offered to clients who meet one of the following criteria:

- A natural person who or a company that immediately after entering into the contract has at least \$750,000 under the management of the investment adviser;
- A natural person who or a company that the investment adviser entering into the contract (and any person acting on his behalf) reasonably believes, immediately prior to entering into the contract, either:
  - Has a net worth (together, in the case of a natural person, with assets held jointly with a spouse) of more than \$1,500,000, at the time the contract is entered into; or
  - Is a qualified purchases as defined in section 2(a)(51)(AA) of the Investment Company Act of 1940 (15U.S.C. 80a-2(51)(A)) at the time the contract is entered into; or
  - A natural person who immediately prior to entering into the contract is:
    - An executive officer, director, trustee, general partner or person serving in similar capacity, of the investment adviser; or
    - An employee of the investment adviser (other than an employee performing solely clerical, secretarial or administrative functions with regard to the investment adviser) who, in connection with his or her regular functions or duties, participates in the investment activities of such investment adviser, provided that such employee has been performing such functions and duties for or on behalf of the investment adviser, or substantially similar functions or duties for or on behalf of another company for at least 12 months.

## **Item 7. Types of Clients**

Legacy Capital offers personalized investment management services to high-net-worth individuals and related trusts, charitable entities, pension and profit sharing plans, corporations and other business entities. Although Legacy Capital provides investment services to the various types of clients mentioned, the services are conditioned upon meeting the following certain minimum criteria established by the firm.

The minimum annual fee is \$5,000. As such, the firm's services are designed for the investor with an approximate minimum of \$600,000 in liquid assets. Clients with less than \$600,000 in liquid assets may be able to find similar services at prices more favorable than those charged by Legacy Capital. Fees may be negotiated higher or lower or on a performance basis under unusual account circumstances.

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

### **A. Methods of Analysis and Investment Strategies**

Legacy Capital is responsible for identifying and implementing the methods of analysis used in formulating investment recommendations to clients. The methods of analysis may include quantitative methods for optimizing client portfolios, computer-based risk/return analysis, and statistical and/or computer models utilizing long-term economic criteria. Legacy Capital may retain independent third parties to work in conjunction with its executive management team to provide input and guidance for the investment direction communicated by the firm. Legacy Capital may utilize third-party software to assist in formulating investment recommendations to clients. In addition, Legacy Capital reviews research material prepared by others, corporate filings, corporate rating services, corporate press releases, and a variety of financial publications.

#### **A.1. Mutual Funds, Exchange-Traded Funds, Individual Fund Managers, Individual Equity and Fixed Income Securities**

Legacy Capital generally recommends individual securities in both the growth and value styles as well as fixed income securities, and provides advice on virtually every other type of security. Legacy Capital generally invests in large capitalization companies. For individual equity and fixed income securities, the methods of analysis may include:

- fundamental and technical analysis
- input from their portfolio managers
- economic models
- quantitative methods for optimizing client portfolios
- computer based risk/return analysis
- statistical and/or computer models utilizing long-term economic criteria

A description of the factors to be used in formulating investment advice and recommendations are as follows:

- economic outlook
- capital markets
- political, social, and demographic trends
- international conditions
- supply/demand considerations

Legacy Capital may utilize additional independent third parties to assist it in recommending and monitoring individual equity securities to clients as appropriate under the circumstances.

#### **A.2. Material Risks of Investment Instruments**

Legacy Capital typically invests in equity securities, corporate and bank-sponsored debt instruments, municipal fixed income instruments, government securities including asset-backed securities, and other securities as detailed below:

- Equity securities
- Warrants and rights
- Mutual fund securities
- Exchange-traded funds (includes leveraged ETFs)
- Corporate debt securities, commercial paper, and certificates of deposit
- Municipal securities
- U.S. government securities
- Government and agency mortgage-backed securities
- Corporate debt obligations
- Mortgage-backed securities
- Collateralized obligations
- Options on indices

#### **A.2.a. Equity Securities**

Investing in individual companies involves inherent risk. The major risks relate to the company's capitalization, quality of the company's management, quality and cost of the company's services, the company's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk, and the company's ability to create shareholder value (i.e., increase the value of the company's stock price). Foreign securities, in addition to the general risks of equity securities, have geopolitical risk, financial transparency risk, currency risk, regulatory risk, and liquidity risk.

#### **A.2.b. Warrants and Rights**

Legacy Capital may invest in warrants and rights. Warrants are securities, typically issued with preferred stock or bonds, that give the holder the right to purchase a given number of shares of common stock at a specified price and time. The price of the warrant usually represents a premium over the applicable market value of the common stock at the time of the warrant's issuance. Warrants have no voting rights with respect to the common stock, receive no dividends and have no rights with respect to the assets of the issuer.

Investments in warrants and rights involve certain risks, including the possible lack of a liquid market for the resale of the warrants and rights, potential price fluctuations due to adverse market conditions or other factors, and failure of the price of the common stock to rise. If the warrant is not exercised within the specified time period, it becomes worthless.

#### **A.2.c. Mutual Fund Securities**

Investing in mutual funds carries inherent risk. The major risks of investing in a mutual fund include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of individual company diversification, the type and amount of industry diversification, and the type and amount of sector diversification within specific industries. In addition, mutual funds tend to be

tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold the fund.

#### **A.2.d. Exchange-Traded Funds (“ETFs”)**

Legacy Capital may invest in ETFs (which may, in turn, invest in equities, bonds and other financial vehicles). ETFs are investment companies whose shares are bought and sold on a securities exchange. An ETF holds a portfolio of securities designed to track a particular market segment or index. Some examples of ETFs are SPDRs<sup>®</sup>, streetTRACKS<sup>®</sup>, DIAMONDS<sup>SM</sup>, NASDAQ 100 Index Tracking Stock<sup>SM</sup> (“QQQs<sup>SM</sup>”), iShares<sup>®</sup> and VIPERs<sup>®</sup>. The funds could purchase an ETF to gain exposure to a portion of the U.S. or foreign market. The funds, as a shareholder of another investment company, will bear their pro rata portion of the other investment company’s advisory fee and other expenses, in addition to their own expenses.

Investing in ETFs involves risk. Specifically, ETFs, depending on the underlying portfolio and its size, can have wide price (bid and ask) spreads, thus diluting or negating any upward price movement of the ETF or enhancing any downward price movement. Also, ETFs require more frequent portfolio reporting by regulators and are thereby more susceptible to actions by hedge funds that could have a negative impact on the price of the ETF. Certain ETFs may employ leverage, which creates additional volatility and price risk depending on the amount of leverage utilized, the collateral and the liquidity of the supporting collateral.

Further, the use of leverage (i.e., employ the use of margin) generally results in additional interest costs to the ETF. Certain ETFs are highly leveraged and therefore have additional volatility and liquidity risk. Volatility and liquidity can severely and negatively impact the price of the ETF’s underlying portfolio securities, thereby causing significant price fluctuations of the ETF.

#### **A.2.e. Corporate Debt, Commercial Paper, and Certificates of Deposit**

Fixed income securities carry additional risks than those of equity securities described above. These risks include the company’s ability to retire its debt at maturity, the current interest rate environment, the coupon interest rate promised to bondholders, legal constraints, jurisdictional risk (U.S or foreign), and currency risk. If bonds have maturities of 10 years or greater, they will likely have greater price swings when interest rates move up or down. The shorter the maturity the less volatile the price swings. Foreign bonds also have liquidity and currency risk.

Commercial paper and certificates of deposit are generally considered safe instruments, although they are subject to the level of general interest rates, the credit quality of the issuing bank, and the length of maturity. With respect to certificates of deposit, depending on the length of maturity there can be prepayment penalties if the client needs to convert the certificate of deposit to cash prior to maturity.

#### **A.2.f. Municipal Securities**

Municipal securities carry additional risks than those of corporate and bank-sponsored debt securities described above. These risks include the municipality’s ability to raise additional tax

revenue or other revenue (in the event the bonds are revenue bonds) to pay interest on its debt and to retire its debt at maturity. Municipal bonds are generally tax-free at the federal level, but may be taxable at the state level. Some municipal bonds may be taxable at the federal and state level.

#### **A.2.g. U.S. Government Securities**

Legacy Capital may invest in U.S. government securities. U.S. government securities include securities issued by the U.S. Treasury and by U.S. government agencies and instrumentalities. U.S. government securities may be supported by the full faith and credit of the United States.

#### **A.2.h. Government and Agency Mortgage-Backed Securities**

The principal issuers or guarantors of mortgage-backed securities are the Government National Mortgage Association ("GNMA"), Fannie Mae ("FNMA"), and the Federal Home Loan Mortgage Corporation ("FHLMC"). GNMA, a wholly owned U.S. government corporation within the Department of Housing and Urban Development ("HUD"), creates pass-through securities from pools of government-guaranteed (Farmers' Home Administration, Federal Housing Authority, or Veterans Administration) mortgages. The principal and interest on GNMA pass-through securities are backed by the full faith and credit of the U.S. government.

FNMA, which is a U.S. government-sponsored corporation owned entirely by private stockholders that is subject to regulation by the secretary of HUD, and FHLMC, a corporate instrumentality of the U.S. government, issue pass-through securities from pools of conventional and federally insured and/or guaranteed residential mortgages. FNMA guarantees full and timely payment of all interest and principal, and FHMLC guarantees timely payment of interest and ultimate collection of principal of its pass-through securities. Mortgage-backed securities from FNMA and FHLMC are *not* backed by the full faith and credit of the U.S. government.

#### **A.2.i. Corporate Debt Obligations**

Legacy Capital may invest in corporate debt obligations. Corporate debt obligations include corporate bonds, debentures, notes, commercial paper, and other similar corporate debt instruments. Companies use these instruments to borrow money from investors. The issuer pays the investor a fixed or variable rate of interest and must repay the amount borrowed at maturity. Commercial paper (short-term unsecured promissory notes) is issued by companies to finance their current obligations and normally has a maturity of less than nine months. Legacy Capital may also invest in corporate debt securities registered and sold in the United States by foreign issuers (Yankee bonds) and those sold outside the U.S. by foreign or U.S. issuers (Eurobonds).

#### **A.2.j. Mortgage-Backed Securities**

Legacy Capital may invest in mortgage-backed securities, including pass-through securities and collateralized obligations. Mortgage-backed securities represent interests in a pool of mortgage loans originated by lenders such as commercial banks, savings associations, and mortgage bankers and brokers. Mortgage-backed securities may be issued by governmental

or government-related entities, or by non-governmental entities such as special-purpose trusts created by commercial lenders.

Pools of mortgages consist of whole mortgage loans or participations in mortgage loans. The majority of these loans are made to purchasers of between one and four family homes. The terms and characteristics of the mortgage instruments are generally uniform within a pool but may vary among pools. For example, in addition to fixed-rate, fixed-term mortgages, Legacy Capital may purchase pools of adjustable-rate mortgages, growing equity mortgages, graduated payment mortgages, and other types. Mortgage poolers apply qualification standards to lending institutions, which originate mortgages for the pools as well as credit standards and underwriting criteria for individual mortgages included in the pools. In addition, many mortgages included in pools are insured through private mortgage insurance companies.

Mortgage-backed securities differ from other forms of fixed income securities, which normally provide for periodic payment of interest in fixed amounts with principal payments at maturity or on specified call dates. Most mortgage-backed securities, however, are pass-through securities, which means that investors receive payments consisting of a pro rata share of both principal and interest (less servicing and other fees), as well as unscheduled prepayments as loans in the underlying mortgage pool are paid off by the borrowers. Additional prepayments to holders of these securities are caused by prepayments resulting from the sale or foreclosure of the underlying property or refinancing of the underlying loans. As prepayment rates of individual pools of mortgage loans vary widely, it is not possible to accurately predict the average life of a particular mortgage-backed security. Although mortgage-backed securities are issued with stated maturities of up to 40 years, unscheduled or early payments of principal and interest on the mortgages may shorten considerably the securities' effective maturities.

#### **A.2.k. Collateralized Obligations**

Legacy Capital may invest in collateralized mortgage obligations ("CMOs") that are collateralized by mortgage-backed securities issued by GNMA, FHLMC or FNMA ("mortgage assets"). CMOs are multiple-class debt obligations. Payments of principal and interest on the mortgage assets are passed through to the holders of the CMOs as they are received, although certain classes (often referred to as "tranches") of CMOs have priority over other classes with respect to the receipt of mortgage prepayments. Each tranche is issued at a specific or floating coupon rate and has a stated maturity or final distribution date. Interest is paid or accrues in all tranches on a monthly, quarterly, or semi-annual basis. Payments of principal and interest on mortgage assets are commonly applied to the tranches in the order of their respective maturities or final distribution dates, so that generally no payment of principal will be made on any tranche until all other tranches with earlier stated maturity or distribution dates have been paid in full.

Legacy Capital may also invest in collateralized debt obligations ("CDOs"), which include collateralized bond obligations ("CBOs"), collateralized loan obligations ("CLOs"), and other similarly structured securities. CBOs and CLOs are types of asset-backed securities. A CBO is a trust that is backed by a diversified pool of high-risk, below-investment-grade fixed income



securities. A CLO is a trust typically collateralized by a pool of loans, which may include, among others, domestic and foreign senior secured loans, senior unsecured loans, and subordinate corporate loans, including loans that may be rated below investment grade or equivalent unrated loans.

#### **A.1.1.1. Options on Indices**

An index assigns relative values to the securities included in the index, and the index fluctuates with changes in the market values of the securities included in the index. Index cash options operate in the same way as the more traditional options on securities, except that index options are settled exclusively in cash and do not involve delivery of securities. Thus, upon exercise of index options, the purchaser will realize and the writer will pay an amount based on the differences between the exercise price and the closing price of the index.

## **B. Investment Strategy and Method of Analysis of Material Risks**

### **B.1. Leverage**

The use of leverage enhances the overall risk of investment gain and loss to the client's investment portfolio. For example, investors are able to control \$2 of a security for \$1. So if the price of a security rises by \$1, the investor earns a 100% return on their investment. Conversely, if the security declines by \$.50, then the investor loses 50% of their investment. The use of leverage entails borrowing, which results in additional interest costs to the investor.

Broker-dealers that carry customer accounts have a minimum equity requirement when clients utilize leverage. The minimum equity requirement is stated as a percentage of the value of the underlying collateral security with an absolute minimum dollar requirement. For example, if the price of a security declines in value to the point where the excess equity used to satisfy the minimum requirement dissipates, the broker-dealer will require the client to deposit additional collateral to the account in the form of cash or marketable securities. A deposit of securities to the account will require a larger deposit, as the security being deposited is included in the computation of the minimum equity requirement. In addition, when leverage is utilized and the client needs to withdraw cash, the client must sell a disproportionate amount of collateral securities to release enough cash to satisfy the withdrawal amount based upon similar reasoning as cited above.

Regulations concerning the use of leverage are established by the Federal Reserve Board and vary if the client's account is held at a broker-dealer versus a bank custodian. Broker-dealers and bank custodians may apply more stringent rules as they deem necessary.

### **B.2. Short-Term Trading**

Legacy Capital generally does not engage in high-frequency trading but reserves the right to employ such a strategy given current market conditions for the companies in which it invests. In the event of short-term trading, clients are advised that it can create substantial transaction costs that in the aggregate could negatively impact portfolio performance.

### **B.3. Short Selling**

Legacy Capital generally does not engage in short selling but reserves the right to do so in the exercise of its sole judgment. Short selling involves the sale of a security that is borrowed rather than owned. When a short sale is effected, the investor is expecting the price of the security to decline in value so that a purchase or closeout of the short sale can be effected at a significantly lower price. The primary risks of effecting short sales is the availability to borrow the stock, the unlimited potential for loss, and the requirement to fund any difference between the short credit balance and the market value of the security.

### **C. Concentration Risk**

Although Legacy Capital employs a broad diversification strategy, there may be times when one industry, sector or company is more heavily weighted than others. In such an instance, there is the possibility that negative performance of the heavily weighted security will have a greater impact on the overall performance of the portfolio. Clients who have diversified portfolios, as a general rule incur less volatility and therefore less fluctuation in portfolio value than those who have concentrated holdings. Concentrated holdings may offer the potential for higher gain, but also offer the potential for significant loss.

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There is nothing to report on this item.

### **B. Administrative Enforcement Proceedings**

There is nothing to report on this item.

### **C. Self-Regulatory Organization Enforcement Proceedings**

There is nothing to report on this item.

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

### **A. Broker-Dealer or Representative Registration**

Legacy Capital neither has an affiliate broker-dealer nor is in process of registering an affiliate as a broker-dealer.

### **B. Futures or Commodity Registration**

Neither Legacy Capital nor its affiliates are registered as a commodity firm, futures commission merchant, commodity pool operator, or commodity trading advisor and do not have an application to register pending.

### **C. Material Relationships Maintained by this Advisory Business and Conflicts of Interest**

Other than as described in Item 12 of this Brochure, there are no relationships material to Legacy Capital's advisory business to report.

### **D. Recommendation or Selection of Other Investment Advisors and Conflicts of Interest**

Legacy Capital does not receive any remuneration from advisors, investment managers, or other service providers that it recommends to clients.

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

### **A. Code of Ethics Description**

In accordance with the Advisers Act, Legacy Capital has adopted policies and procedures designed to detect and prevent insider trading. In addition, Legacy Capital has adopted a Code of Ethics (the "Code"). Among other things, the Code includes written procedures governing the conduct of the firm's advisory and access persons. The Code also imposes certain reporting obligations on persons subject to the Code. The Code and applicable securities transactions are monitored by the firm's Chief Compliance Officer. Legacy Capital will send clients a copy of its Code of Ethics upon written request.

Legacy Capital has policies and procedures in place to ensure that the interests of its clients are given preference over those of the firm, its affiliates and its employees. For example, there are (i) policies in place to prevent the misappropriation of material non-public information, and (ii) such other policies and procedures reasonably designed to comply with federal and state securities laws.

Legacy Capital, its affiliates, employees and their families, trusts, estates, charitable organizations and retirement plans established by it may purchase the same securities as are purchased for clients. They also may effect securities transactions for their own accounts that differ from those recommended or effected for other of the firm's clients. Legacy Capital will make a reasonable attempt to trade securities in clients' accounts prior to trading the securities in its affiliate, corporate, employee or employee-related accounts. It is the policy of Legacy Capital to place its clients' interests above those of the firm and its employees.

As Legacy Capital is placed in the role of fiduciary, it has the responsibility of care, loyalty, honesty and good faith to act in the best interests of its clients. Compliance with this duty can be achieved by trying to avoid conflicts of interest and by fully disclosing all material fact concerning any conflict that does arise with respect to any client. In addition, Legacy Capital would hope that all individuals covered by this policy would try to avoid situations that even have the appearance of impropriety.

The independence and objectivity of Legacy Capital's investment decision-making process is its most important asset. Given the nature of this business and the trust that is given to the firm, employees must not take inappropriate advantage of their position. As an investment counsel to be bound by a professional Code of Ethics, Legacy Capital shall adhere to all of the following:

- Preserve the confidentiality of information communicated by the client during the investment counsel–client relationship and thereafter.
- Always place the interests of the client first.
- Render unbiased and continuous investment advice based upon the objectives, tax status and general circumstances of each client.
- Encourage the exercise of diligence, prudence and thoroughness in taking investment action for clients.

- Require principal personnel to be individuals of experience, ability and integrity and to act with competence and strive to improve competence and the exercise of independent professional judgment.
- Maintain knowledge and compliance with all laws, rules and regulations covering our professional activities not only in letter, but in spirit.
- Pursue excellence, uprightness, honor and loyalty to the profession of investment counsel.

## **B. Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest**

Legacy Capital does not engage in principal trading (i.e., the practice of selling stock to advisory clients from a firm's inventory or buying stocks from advisory clients into a firm's inventory). In addition, Legacy Capital does not recommend any securities to advisory clients in which it has some proprietary or ownership interest.

## **C. Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

Legacy Capital, its affiliates, employees and their families, trusts, estates, charitable organizations, and retirement plans established by it may purchase the same securities as are purchased for clients in accordance with the firm's Code of Ethics policy. They may also effect securities transactions for their own accounts that differ from those recommended or effected for other Legacy Capital clients. Legacy Capital will make a reasonable attempt to trade securities in client accounts prior to trading the securities in its affiliate, corporate, employee or employee-related accounts. It is the policy of the firm to place the client's interests above those of Legacy Capital and its employees.

## **D. Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest**

Legacy Capital, its employees and their families, trusts, estates, charitable organizations, and retirement plans established by it may effect securities transactions for their own accounts that differ from those recommended or effected for other Legacy Capital clients. Legacy Capital will make a reasonable attempt to trade securities in client accounts at or prior to trading the securities in its affiliate, corporate, employee or employee-related accounts. Trades executed the same day will likely be subject to an average pricing calculation. It is the policy of Legacy Capital to place the clients' interests above those of the firm and its employees.

## Item 12. Brokerage Practices

### A. Factors Used to Select Broker-Dealers for Client Transactions

Legacy Capital may recommend that clients establish brokerage accounts with one or more discount brokers. The firm prefers to use the Schwab Advisor Services division of Charles Schwab & Co., Fidelity Investments, or TD Ameritrade (herein collectively referred to as "custodian") to maintain custody of clients' assets and to effect trades for their accounts. Legacy Capital is independently owned and operated and not affiliated with any of these brokers. Although Legacy Capital may recommend that clients establish accounts at such custodians, it is the client's decision to custody assets with a particular custodian.

Such custodians provide Legacy Capital with access to their institutional trading and custody services, which are typically not available to retail investors. These services are generally available to independent investment advisors on an unsolicited basis, at no charge to them so long as a certain minimum amount of the advisor's clients' assets are maintained in accounts at a particular custodian. These services are not contingent upon Legacy Capital committing to a custodian any specific amount of business (assets in custody or trading commissions). The custodian's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or that would require a significantly higher minimum initial investment.

For Legacy Capital's client accounts maintained in its custody, the custodian generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through the custodian or that settle into the custodian's accounts. (Refer to Appendix A of the Legacy Capital Investment Advisory Agreement for the custodian pricing guide.)

Such custodians also make available to Legacy Capital other products and services that benefit Legacy Capital but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of Legacy Capital's accounts, including accounts not maintained at such custodians. Some of these other products and services assist Legacy Capital in managing and administering clients' accounts. These include software and other technology that

- provide access to client account data (such as trade confirmations and account statements)
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- provide research, pricing, and other market data
- facilitate payment of Legacy Capital's fees from its clients' accounts
- assist with back-office functions, recordkeeping, and client reporting

These custodians also offer other services intended to help Legacy Capital manage and further develop its business enterprise. These services may include consulting, publications and

conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, these firms may make available, arrange and/or pay for these types of services rendered to Legacy Capital by independent third parties. These custodians may discount or waive fees they would otherwise charge for some of these services, or pay all or a part of the fees of a third party providing these services to Legacy Capital.

While as a fiduciary Legacy Capital endeavors to act in its clients' best interests, the firm's recommendation that clients maintain their assets in accounts with one of these custodians may be based in part on the benefit to Legacy Capital of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by these various custodians, which may create a potential conflict of interest.

In certain instances and subject to approval by the firm, Legacy Capital will recommend to clients certain other broker-dealers and/or custodians based on the needs of the individual client and taking into consideration the nature of the services required, the experience of the broker-dealer or custodian, the cost and quality of the services, and the reputation of the broker-dealer or custodian. The final determination to engage a broker-dealer or custodian recommended by Legacy Capital will be made by and in the sole discretion of the client. The client recognizes that broker-dealers and/or custodians have different cost and fee structures and trade execution capabilities. As a result, there may be disparities with respect to the cost of services and/or the transaction prices for securities transactions executed on behalf of the client. Clients are responsible for assessing the commissions and other costs charged by broker-dealers and/or custodians.

### **A.1. Institutional Trading and Custody Services**

The custodians may provide Legacy Capital with access to their institutional trading and custody services, which are typically not available to the custodians' retail investors. These services are generally available to independent investment advisors on an unsolicited basis, at no charge to them so long as there is a minimum dollar commitment of the advisor's clients' assets maintained in accounts at the custodian. These services are not contingent upon Legacy Capital committing to any custodian any specific amount of business (assets in custody or trading commissions). The custodians' brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or that would require a significantly higher minimum initial investment.

### **A.2. Other Products and Services**

The custodians may also make available to Legacy Capital other products and services that benefit Legacy Capital but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of Legacy Capital's accounts, including accounts not maintained at such custodians. The custodians also may make available to Legacy Capital managing and administering software and other technology that

- provide access to client account data (such as trade confirmations and account statements)



- facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- provide research, pricing and other market data
- facilitate payment of Legacy Capital's fees from its clients' accounts
- assist with back-office functions, recordkeeping and client reporting

The custodians also may offer other services intended to help Legacy Capital manage and further develop its business enterprise. These services may include

- compliance, legal and business consulting
- publications and conferences on practice management and business succession
- access to employee benefits providers, human capital consultants and insurance providers

Custodians may also provide other benefits such as educational events or occasional business entertainment of Legacy Capital personnel. In evaluating whether to recommend or require that clients custody their assets with a custodian, Legacy Capital may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely on the nature, cost or quality of custody and brokerage services provided by such custodians, which may create a potential conflict of interest.

### **A.3. Independent Third Parties**

Custodians may make available, arrange and/or pay third-party vendors for the types of services rendered to Legacy Capital. Custodians may discount or waive fees they would otherwise charge for some of these services or all or a part of the fees of a third party providing these services to Legacy Capital.

## **B. Aggregating Securities Transactions for Client Accounts**

### **B.1. Best Execution**

Legacy Capital may recommend that clients establish brokerage accounts with one or more discount brokers. The firm prefers to use the Schwab Advisor Services division of Charles Schwab & Co., Fidelity Investments, or TD Ameritrade (herein collectively referred to as "custodians") to maintain custody of clients' assets and to effect trades for their accounts. Legacy Capital is independently owned and operated and not affiliated with any of these custodians. Such accounts will be prime broker eligible, so that if and when the need arises to effect securities transactions at broker-dealers ("executing brokers") other than with the client's current custodian, such custodian will accept delivery or deliver the applicable security from/to the executing broker. Legacy Capital generally determines the total amount of securities to be bought or sold and the broker-dealer through which the securities transactions are to be executed, and in some cases the commission rates at which transactions are to be effected. These decisions are made in accordance with the client's relative asset allocation, degree of risk the client wishes to accept, and the types and amounts of securities within the portfolio.

The custodian may charge a "trade away" fee, which is charged against the client's account for each trade away occurrence. Different custodians have their own policies concerning prime broker accounts and trade away fees; clients will consult their current custodian for their policies and fees. (Legacy Capital will provide a copy of each custodian's pricing sheet as an exhibit to their investment advisory agreement.)

In the case of Schwab as disclosed in its Prime Brokerage Services Agreement ("PBS") and signed by clients participating in soft dollar transactions, the Advisor Broker Service Fee "per order entered at the executing broker by the Advisor on behalf of its account holders, attributable in whole or in part to an Account Holder, or such other fees or requirements Schwab may establish for PBS from time to time at Schwab's full discretion." The agreement also discloses that the Prime Broker Service Fee is \$20 per trade charged in addition to the commission that Weeden & Company collects. This is also disclosed on the Schwab trade confirmation a client receives as a Prime Broker fee each time a trade is completed, and is either mailed or emailed to the client. When commission business is directed to Weeden & Company for investment research, the rate requested is 50% off May Day rates. This is the commission rate charged before May 1, 1975, which is when the SEC instituted Rule 19(b)3 that led to negotiated commission rates by institutional investors.

On occasion, Legacy Capital may request that a particular broker-dealer provide a specific research service that may be proprietary to such broker-dealer, or that is produced by a third party and made available by such broker-dealer. In such events, Legacy Capital will direct what it believes are sufficient dollars for those particular research services. Legacy Capital has a policy of not allocating brokerage business for products or services other than research services in accordance with the provisions of Section 28(e) of the Securities Exchange Act of 1934.

Legacy Capital considers seeking soft dollars in compliance with its best execution policy. Legacy Capital defines "best execution" as a process, not a result. The investor is the focal point and as an agent of the investor, Legacy Capital has the same objective: to seek and provide the best terms under the circumstances.

Using commission schedules from discount brokerage firms and Legacy Capital's 35-plus years' experience helps it to determine the reasonableness of the commissions. Legacy Capital may pay a brokerage commission in excess of what another broker-dealer might have charged for effecting the same transactions in recognition of the value of the brokerage and research services received from the broker-dealer.

Legacy Capital will not negotiate volume discounts on "batched" orders executed through such brokers, and a client that does not participate in a "batched" order may pay a different brokerage commission than other clients that are participating in "batched" orders.

Legacy Capital, pursuant to the terms of its investment advisory agreement with clients, has discretionary authority to determine which securities are to be bought and sold, the price of such securities, the executing broker, and the commission rates to be paid to effect such transactions. Legacy Capital recognizes that the analysis of execution quality involves a number of factors, both qualitative and quantitative. Legacy Capital will follow a process in an attempt to ensure that it is seeking to obtain the most favorable execution under the prevailing

circumstances when placing client orders. These factors may involve one or more of the following:

- The financial strength, reputation and stability of the broker
- The efficiency with which the transaction is effected
- The ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any)
- The availability of the broker to stand ready to effect transactions of varying degrees of difficulty in the future
- The efficiency of error resolution, clearance and settlement
- Block trading and positioning capabilities
- The ability to borrow securities for short sale
- Performance measurement
- Online access to computerized data regarding customer accounts
- Availability, comprehensiveness, and frequency of brokerage and research services
- Commission rates
- The economic benefit to the client
- Related matters involved in the receipt of brokerage services

If a client wishes to choose a particular broker-dealer, the client will direct Legacy Capital in the investment advisory agreement at the time of contract acceptance. Where the client directs the use of a specific broker-dealer, the client should understand that Legacy Capital will not negotiate commissions on the client's behalf, and as a result, the client may pay materially different commissions than those paid by other clients of Legacy Capital, depending on the client's commission arrangement with that broker-dealer.

## **B.2. Directed Brokerage**

### **B.2.a. Legacy Capital Recommendations**

Legacy Capital, if requested by a client, typically recommends a discount broker such as the Schwab Advisor Services division of Charles Schwab & Co., Fidelity Investments, or TD Ameritrade to maintain custody of clients' assets and to effect trades for their accounts.

### **B.2.b. Client-Directed Brokerage**

Occasionally, clients may direct Legacy Capital to use a particular broker-dealer to execute portfolio transactions for their accounts or request that certain types of securities not be purchased for their accounts. Clients who designate the use of a particular broker-dealer should be aware that they will lose any possible advantage Legacy Capital derives from aggregating transactions. Such client trades are typically effected after the trades of clients who have not directed the use of a particular broker-dealer. Legacy Capital loses the ability to aggregate trades with other Legacy Capital advisory clients, potentially subjecting the client to inferior trade execution prices as well as higher commissions.

### **B.3. Security Allocation**

Since Legacy Capital may be managing accounts with similar investment objectives, the firm may aggregate orders for securities for such accounts. In such event, allocation of the securities so purchased or sold, as well as expenses incurred in the transaction, is made by Legacy Capital in the manner it considers to be the most equitable and consistent with its fiduciary obligations to such accounts. Such aggregate orders may include transactions for accounts for employee benefit plans and private investment vehicles, such as limited partnerships or limited liability companies, in which Legacy Capital, its principals or employees are among the investors.

Legacy Capital's allocation procedures seek to allocate investment opportunities among clients in the fairest possible way, taking into account clients' best interests. Legacy Capital will follow procedures to ensure that allocations do not involve a practice of favoring or discriminating against any client or group of clients. Account performance is never a factor in trade allocations.

Legacy Capital's advice to certain clients and entities and the action of the firm for those and other clients are frequently premised not only on the merits of a particular investment, but also on the suitability of that investment for the particular client in light of his or her applicable investment objective, guidelines and financial circumstances. Thus, any action of Legacy Capital with respect to a particular investment may, for a particular client, differ or be opposed to the recommendation, advice or actions of the firm to or on behalf of other clients.

### **B.4. Order Aggregation**

As of 1972, Legacy Capital, which began as a family office, has managed each account on a case-by-case basis. Legacy Capital may, in its sole discretion, aggregate purchases or sales of any security effected for client accounts with purchases or sales of the same security effected on the same day for the accounts of one or more of Legacy Capital's other clients. Although such concurrent aggregations could potentially be either advantageous or disadvantageous to any one or more particular accounts, they will be effected only when Legacy Capital believes that doing so will be in the best interest of the affected accounts. When transactions are aggregated,

- the actual prices applicable to the transaction will be averaged, and each client account participating will be deemed to have bought or sold its share of the security at that average price; and
- all transaction costs incurred in the transaction will be shared on a pro rata basis among all accounts participating in such aggregated transactions, except to the extent that certain broker-dealers that also furnish custody services may impose a minimum transaction charge.

The objective of these aggregations is to allocate executions in a manner that is deemed equitable to the accounts involved.

### **B.5. Allocation of Trades**

All allocations will be made prior to the close of business on the trade date. In the event an order is "partially filled," the allocation will be made in the best interests of all the clients in the order, taking into account all relevant factors including, but not limited to, the size of each

client's allocation, clients' liquidity needs and previous allocations. In most cases, accounts will get a pro forma allocation based on the initial allocation. This policy also applies if an order is "over-filled."

Legacy Capital acts in accordance with its duty to seek best price and execution and will not continue any arrangements if it determines that such arrangements are no longer in the best interests of its clients.

### **B.6. Soft Dollar Arrangements**

As permitted by Section 28(e) of the Securities Exchange Act of 1934, Legacy Capital engages in a common industry practice of selecting a broker for a transaction not based on best execution, but if the broker provides research services and if the higher commissions are deemed reasonable in relation to the value of the research services provided, Legacy Capital uses these research services in its investment decision-making process. These transactions are referred to as "soft dollar transactions."

Legacy Capital may direct brokerage transactions to executing brokers who offer research and brokerage services that Legacy Capital utilizes in order to provide services to its clients. A potential conflict of interest may exist in that client securities transactions are used to pay for research and other brokerage services provided to Legacy Capital by an executing broker. The commissions paid to executing brokers by Legacy Capital to obtain the research and brokerage services may be higher than would otherwise apply absent the need for research and brokerage services.

Research services that may be purchased through soft-dollar transactions include, but are not limited to, company, industry or economic reports, research data, economic factors, economic trends and portfolio strategy. These services enable Legacy Capital to supplement its own research and analysis used for providing advice to all clients rather than solely for the clients who paid a commission to the broker for such services.

Legacy Capital purchases a limited amount of research each year using soft dollar transactions. Specifically, the firm acquires research publications by the Leuthold Group, LLC. This is accomplished by directing client transactions who have assets held at Charles Schwab, JP Morgan Chase, Northern Trust, or Marshall and Ilsley Trust through Weeden & Co., LP, a broker-dealer and distributor of said research.

Legacy Capital has policies and procedures in place to review its trade execution practices to ensure that its directed brokerage trading practices are in the best interests of its clients and are in keeping with its best execution obligations.

Legacy Capital has one formal arrangement with a Weeden & Co. broker or research provider requiring a fixed minimum level of commissions. In order to fulfill this arrangement, Legacy Capital has established a policy that block orders are placed using prime broker accounts to direct commission to Weeden & Co. These orders are rotated so that commissions direct to Weeden & Co. are divided up using different prime broker accounts. A spreadsheet is kept with a listing of the trade date, description, account number, and commission. This spreadsheet is

reviewed to make sure that no particular account is unfairly disadvantaged relative to other accounts.

**B.7. Brokerage for Client Referrals**

Legacy Capital does not engage in the practice of directing brokerage commissions in exchange for the referral of advisory clients.

## **Item 13. Review of Accounts**

### **A. Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved**

The review of accounts of high-net-worth and affluent clients, including corporations, partnerships and trusts, is conducted in the first instance by the Legacy Capital professional servicing the client relationship. Such professionals are subject to the general authority of Legacy Capital's President. The President or his designee(s) must review and approve the opening of each new advisory relationship and oversee reviews of client accounts. The President or his designee(s) is also responsible for ensuring that any significant change in a client's investment strategy or in the concentration of a client's assets is appropriate for and has been reviewed with the client.

### **B. Review of Client Accounts on Non-Periodic Basis**

Legacy Capital may perform *ad hoc* reviews on an as-needed basis if there have been material changes in the client's investment objectives or risk tolerance, or a material change in how Legacy Capital formulates investment advice.

### **C. Content of Client-Provided Reports and Frequency**

All investment advisory clients may receive customized performance reports of their accounts when meeting with Legacy Capital Partners. Investment advisory clients also receive standard account statements from the custodian of their accounts on a monthly basis, but no less than frequently than quarterly.

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

### **A. Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest**

Legacy Capital has developed mutual relationships with other professional service providers, such as attorneys and accountants. Legacy Capital has referred clients to professional service providers who have referred clients to Legacy Capital. These mutual referral relationships could constitute a conflict that is considered an indirect form of compensation to obtain future advisory client referrals.

### **B. Advisory Firm Payments for Client Referrals**

In addition, pursuant to Rule 206(4)-3 under the Advisers Act, Legacy Capital may and does compensate solicitors for client referrals by paying the solicitor a percentage of fees charged the client by Legacy Capital. Referred clients will not be charged any amount for the cost of obtaining the account in addition to the fees charged by Legacy Capital for its advisory services. In addition, a referred client will not be charged an amount in excess of Legacy Capital's standard advisory rates solely because of the arrangement. Any such solicitation arrangements are effected in accordance with the requirements of Rule 206(4)3 of the Investment Advisers Act of 1940.



## Item 15. Custody

Clients will receive at least quarterly account statements directly from their qualified custodian containing a description of all activity, cash balances and portfolio holdings in the client's account. Legacy Capital urges that clients compare the account balance(s) shown on their Legacy Capital gain/loss reports to the quarter-end balance(s) on their custodian's monthly statement. The custodian's statement is the official record of the account.

## **Item 16. Investment Discretion**

Clients are required to grant a limited power of attorney to Legacy Capital with respect to trading activity in their accounts by signing the appropriate custodian limited power of attorney form. In those cases, Legacy Capital will exercise full discretion as to the nature and type of securities to be purchased and sold, the amount of securities for such transactions, the commissions to be paid, and the executing broker to be used. Investment limitations may be designated by the client as outlined in the investment advisory agreement.

## **Item 17. Voting Client Securities**

Legacy Capital may vote proxies of portfolio securities on behalf of its clients. Legacy Capital votes such proxies in accordance with Legacy Capital's Proxy Voting Policy and Procedures (the "Policy"). The general principal of the Policy is to not vote proxies. If directed by a client to vote proxies, generally the proxies will be voted in favor of management recommendations unless (i) Legacy Capital disagrees with the recommendation(s) of management, or (ii) Legacy Capital deems a vote contrary to the recommendation(s) of management to be in the best interests of its client. Upon request to Legacy Capital, a client may obtain a copy of the Policy and information on how the client's securities were voted.

## **Item 18. Financial Disclosures**

### **A. Balance Sheet**

Legacy Capital does not require the prepayment of fees and as such is not required to file a balance sheet.

### **B. Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients**

Legacy Capital does not have any financial issues that would impair its ability to provide services to clients.

### **C. Bankruptcy Petitions During the Past Ten Years**

There is nothing to report on this item.