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FORM ADV PART 2A BROCHURE

This brochure provides information about the qualifications and business practices of Legacy Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 610-943-3000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Legacy Advisors, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Legacy Advisors, LLC is 139830.

Legacy Advisors, LLC is a registered investment advisor. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2 Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our last annual updating amendment dated February 28, 2012, there are no material changes to report.

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Item 4 Advisory Business

Description of Services and Fees

We are a registered investment advisor based in Plymouth Meeting, Pennsylvania. We are organized as a limited liability company under the laws of the State of Delaware. We have been providing investment advisory services since 2006. Michael Piotrowicz is our principal owner. Currently, we offer the following investment advisory services, which are personalized to each individual client:

- Financial Planning and Consulting Services
- Portfolio Management Services
- Investment Management Platform

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we", "our" and "us" refer to Legacy Advisors, LLC and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person throughout this brochure. As used in this brochure, our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

Financial Planning Services

We offer broad-based, modular, and consultative financial planning services. Financial planning will typically involve providing a variety of advisory services to you regarding the management of your financial resources based upon an analysis of your individual needs. If you retain our firm for these services, we will meet with you to gather information about your financial circumstances and objectives. Once we specify your objectives (both financial and non-financial), we will work to implement your plan to help you achieve your stated financial goals and objectives.

Financial plans are based on your financial situation at the time we prepare the plan, and on the financial information you provide to us. It is recommended that you notify us if your financial situation, goals, objectives, or needs change.

You are under no obligation to act on our financial planning recommendations or use any of our services.

For initial comprehensive financial planning engagements, we will generally charge a fixed fee, which will be agreed upon at the start of the advisory relationship. This fee will be based upon various objectives and subjective criteria, including, but not limited to, the complexity of the financial planning and the assets under management. Based on these factors, fees generally range from \$10,000 to \$100,000 payable in advance. Initial planning services will be rendered within six months of the date of contract or any prepaid, unearned fees will be promptly refunded to you. Therefore, under no circumstances will we require prepayment of a fee more than six months in advance and in excess of \$1,200. The agreement between us will detail the scope of the services to be provided, the associated fees, and the agreed upon payment arrangements.

We also offer ongoing financial planning/consulting services that may include periodic meetings to review your progress towards stated goals, implementation services, and updates to the existing plan. In the event that you retain us for on-going planning services, we will charge an annual retainer fee. This fee will be determined based on the complexity of your circumstances, individualized needs, the scope of services requested, and the professionals rendering the services. Generally, fees will be billed semi-annually in advance. As our fees and payment arrangements for retainer services are

negotiable, fees and arrangements with our other clients may differ. The agreement between us will detail the scope of the services to be provided, the associated fees, and the agreed upon payment arrangements.

If you are in need of continuing services but do not wish to contract with us on a retainer basis, we will, at our discretion, make ourselves available for such services based upon an hourly fee. In limited circumstances, you may only require advice on a single aspect of the management of your financial resources. In these instances, we offer financial plans and/or general consulting services that address only those specific areas of interest or concern. Generally, our hourly fee for financial planning services ranges from \$100 to \$400. The hourly fee is negotiable based on the scope of services requested, the complexity of your individual circumstances, and the professionals providing the services. Such hourly fees are payable after services are completed. You may act on our recommendations with any firm you choose since you are under no obligation to act on our financial planning recommendations.

You may terminate the financial planning agreement within five business days after the date when all parties have signed the agreement without penalty. After this five-day period, either party may terminate the agreement upon written notice to the other. If a deposit has been collected by us, a pro rata refund will be sent to you. Conversely, you may incur a pro rata charge for bona fide financial planning and/or consulting services rendered prior to such termination.

Portfolio Management Services

We offer discretionary and non-discretionary portfolio management services. Our investment advice is tailored to meet your needs and investment objectives. If you retain our firm for these services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information (the "suitability information") at the beginning of our advisory relationship. We will use the suitability information we gather to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf. As part of our portfolio management services, we may customize an investment portfolio for you in accordance with your risk tolerance and investing objectives. Once we construct an investment portfolio for you, we will monitor your portfolio's performance on an ongoing basis, and will rebalance the portfolio as required by changes in market conditions and in your financial circumstances.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow our firm to determine the specific securities, and the amount of securities, to be purchased or sold for your account without prior approval for each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a power of attorney, or trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account.

As part of our portfolio management services, we may use one or more sub-advisors to manage a portion of your account on a discretionary basis. The sub-advisor(s) may use one or more of their model portfolios to manage your account. We will regularly monitor the performance of your accounts managed by sub-advisor(s), and may hire and fire any sub-advisor without your prior approval. Our ability to hire and fire sub-advisors on your behalf is based on you granting our firm discretionary authority, which is typically granted by the investment advisory agreement you sign with our firm, a power of attorney, or trading authority forms. We will not be compensated separately by sub-advisors for these recommendations, nor will we manage or obtain investment discretion or trading authority over the assets in your accounts' managed by sub-advisors.

Our fee for portfolio management services shall vary (up to 1.25% of the total assets placed under management/advisement) and shall be based upon level and scope of the overall investment advisory services to be rendered, which is based upon various objective and subjective factors, including, but not limited to, the amount of the assets placed under management.

Our annual portfolio management fee is billed and payable quarterly in arrears based on the value of your account on the last day of the quarter.

If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on your individual circumstances.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated previously.

We will send you an invoice for the payment of our advisory fee, or we will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy. We will also receive a duplicate copy of your account statements.

You may terminate the portfolio management agreement upon 30-days' written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client.

Investment Management Platform

We use an investment management platform provided by Managed Account Services, LLC ("MAS") to administer a wrap fee program. MAS is a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC) and is a wholly-owned subsidiary of Clearbrook Financial, LLC. We are not affiliated with MAS or with any investment managers available on the investment platform. MAS acts solely as a broker/dealer with respect to any client accounts and not as an investment advisor. Under the terms of a Master Program Services Agreement, MAS provides us with access to separately managed accounts (also known as SMAs), mutual funds, individual equity and fixed income securities and other investment products. MAS performs several administrative functions relative to your accounts, including account opening and maintenance, and reconciliation.

Wrap fee program transactions are typically effected through MAS which executes and clears trades through First Clearing, LLC on a fully disclosed basis. First Clearing is a wholly-owned subsidiary of Wachovia Corporation and is also a member of the New York Stock Exchange and SIPC. First Clearing serves as the custodian of client assets and is responsible for confirming all transactions in your accounts. First Clearing provides you with periodic account statements and tax reporting documents.

Fees payable under the wrap fee program will be automatically deducted from your account quarterly in advance based on closing market value on the last day of the preceding quarter. An authorization to debit fees must be signed by you and will remain in full force and effect until revoked by you and until notice of such revocation is received by MAS.

Fee Schedule - Wrap Fee Program

<u>Range of Fees (annual)</u>	<u>Low</u>	<u>High</u>
Money Manager Fee	0.25%	1.50%
Brokerage/Clearing/Custody/Clearbrook Fee	0.07%	0.35%
Investment Advisory Fee*	1.00%	1.00%
Total Fee Range	1.32%	2.85%

*Reflects maximum investment advisory fee.

Fees are expressed as a percentage of client assets under management. Of the total fee charged under the program, we will receive the full investment advisory fee but will not share in the other fees. Certain ancillary fees and charges, such as dealer mark-ups or markdowns, odd-lot differentials, auction fees, exchange fees, transfer fees, offering concessions and related fees for purchases of closed-end investment companies, IRA custodial fees and electronic fund and wire transfer fees are not included in the above fees.

In addition, other investment products utilized by us may have charges and expenses, which are imposed independently from the fees above. These expenses include the fund's investment advisory fee, administrative costs, distribution fees, and other operating expenses and are typically deducted from the Fund's net asset value. Expenses and other charges are fully explained in the Fund's prospectus, which is delivered to you.

Types of Investments

We primarily offer advice on mutual funds and SMA's. However, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship. We may also refer to a Third Party Manager.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

Assets Under Management

As of December 31, 2012, we directly manage \$567,165,461 in client assets on a discretionary basis, and we supervise an additional \$265,104,393 in client assets on a non-discretionary basis.

Item 5 Fees and Compensation

Please refer to the "Advisory Business" section in this brochure for information on our advisory fees, fee deduction arrangements, and refund policy according to each service we offer.

Additional Fees and Expenses

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or

brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the "Brokerage Practices" section of this brochure.

Compensation for the Sale of Securities or Other Investment Products

Persons providing investment advice on behalf of our firm are registered representatives with M Holdings Securities, Inc. ("MHS"), a registered broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In their capacity as registered representatives, these persons may receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by these persons in their capacities as registered representatives are separate and in addition to our advisory fees. This practice may present a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives may have an incentive to effect securities transactions for the purpose of generating commissions. However, you are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm. Brokerage Transactions initiated through M Securities may be distinct from transactions initiated through our RIA Services.

Some persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons may earn commission-based compensation for selling insurance products, including insurance products they may sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice may present a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents may have an incentive to recommend insurance products to you for the purpose of generating commissions. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm. Brokerage Transactions initiated through M Securities may be distinct from transactions initiated through our RIA Services.

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

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the *Advisory Business* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

Item 7 Types of Clients

We offer investment advisory services to individuals, trusts, estates, charitable organizations, corporations, and other business entities.

In general, we require a minimum of \$2,000,000 to open and maintain an investment advisory account. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you intend to combine account values for you, your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

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

Our Methods of Analysis and Investment Strategies

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

- **Charting Analysis** - involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends.
- **Fundamental Analysis** - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.
- **Fund Analysis** - involves analyzing mutual funds or SMA's as it relates to investment strategy, performance trends, risk characteristics, the experience of the portfolio management team, and the firm's structure and ownership. This analysis, which might include both quantitative and qualitative analysis, is used to measure and compare the investment merits of funds/managers within a given asset class.
- **Technical Analysis** - involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.
- **Long Term Purchases** - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- **Short Term Purchases** - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.
- **Option Writing** - a securities transaction that involves selling an option. An option is the right, but not the obligation, to buy or sell a particular security at a specified price before the expiration date of the option. When an investor sells an option, he or she must deliver to the buyer a specified number of shares if the buyer exercises the option. The seller pays the buyer a premium (the market price of the option at a particular time) in exchange for writing the option.
- **Short Sales** - a securities transaction in which an investor sells securities he or she borrowed in anticipation of a price decline. The investor is then required to return an equal number of shares at some point in the future. A short seller will profit if the stock goes down in price.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

Charting and Technical Analysis - The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Fund Analysis/Fundamental Analysis - The risk of fund and fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of future events, which may be the basis for a fund or security's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Trading : We may use investment strategies that involve buying and selling securities frequently in an effort to capture significant market gains and avoid significant losses during a volatile market. However, frequent trading can negatively affect investment performance, particularly through increased brokerage and other transactional costs and taxes.

Options : Options are complex securities that *involve risks and are not suitable for everyone. Option trading can be speculative in nature and carry substantial risk of loss. It is generally recommended that you only invest in options with risk capital.* An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an underlying asset at a specific price on or before a certain date (the "expiration date"). The two types of options are calls and puts;

A call gives the holder the right to buy an asset at a certain price within a specific period of time. Calls are similar to having a long position on a stock. Buyers of calls hope that the stock will increase substantially before the option expires.

A put gives the holder the right to sell an asset at a certain price within a specific period of time. Puts are very similar to having a short position on a stock. Buyers of puts hope that the price of the stock will fall before the option expires.

Selling options is more complicated and can be even riskier.

Short Sales : Short selling (also known as shorting or going short) is the practice of selling assets, usually securities, that have been borrowed from a third party (usually a broker) with the intention of buying identical assets back at a later date to return to the lender. It is a form of reverse trading. Mathematically, it is equivalent to buying a " negative " amount of the assets. The short seller hopes to profit from a decline in the price of the assets between the sale and the repurchase, as the seller will pay less to buy the assets than the seller received on selling them. Conversely, the short seller will incur a loss if the price of the assets rises. Other costs of shorting may include a fee for borrowing the assets and payment of any dividends paid on the borrowed assets. "Shorting" and "going short" also refer to entering into any derivative or other contract under which the investor profits from a fall in the value of an asset.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Recommendation of Particular Types of Securities

As disclosed under the "Advisory Business" section in this Brochure, we primarily recommend mutual funds however; we may recommend other types of securities since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

Mutual funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of

the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. The returns on mutual funds can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, other types of mutual funds do charge such fees which can also reduce returns.

Item 9 Disciplinary Information

Legacy Advisors, LLC has been registered and providing investment advisory services since 2006. Neither our firm nor any of our associated persons has any reportable disciplinary information.

Item 10 Other Financial Industry Activities and Affiliations

Registrations with Broker-Dealer

Persons providing investment advice on behalf of our firm are registered representatives with MHS, a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation.

Arrangements with Affiliated Entities

In addition to being registered as an investment advisor, our firm is also licensed as an insurance agency. Therefore, some persons providing investment advice on behalf of our firm are licensed as insurance agents. These persons may earn commission-based compensation for selling insurance products. Insurance commissions earned by these persons are separate from our advisory fees. Please see the "Fees and Compensation" section in this brochure for more information on the compensation received by insurance agents who are affiliated with our firm.

Recommendation of Other Advisors

We may recommend that you use a third party advisor ("TPA") based on your needs and suitability. We may receive compensation from the TPA for recommending that you use their services. These compensation arrangements may present a conflict of interest due to a potential financial incentive to recommend the services of the third party advisor. However, you are not obligated, contractually or otherwise, to use the services of any TPA we recommend.

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

Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for all of our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that all Associated Persons with our firm submit reports of their personal account holdings and transactions to qualified representatives of our firm who review these reports on a monthly basis. All Associated Persons with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by all Associated Persons with our firm.

Our Code of Ethics is available to you upon request. You may obtain a copy of our Code of Ethics by contacting Jason Braun at 610-943-3000.

Participation or Interest in Client Transactions

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

Personal Trading Practices

All Associated Persons with our firm may buy or sell securities for themselves at the same time registered associates with our firm may buy or sell such securities for your own account. We may also combine our orders to purchase securities with your orders to purchase securities ("block trading"). Please refer to the "Brokerage Practices" section in this brochure for information on our block trading practices.

A conflict of interest may exist in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that all Associated Persons must submit a trading request form for pre-authorization to our Chief Compliance Officer. This prevents any Associated Person with our firm from having priority over your account in the purchase or sale of securities.

Item 12 Brokerage Practices

We may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab Institutional"), a registered broker-dealer, to maintain custody of clients' assets and to effect trades for their accounts. We are not affiliated with Schwab Institutional.

Schwab Institutional provides us with access to its institutional trading and operations services typically not available to Schwab's retail customers. These services generally are available to independent investment advisors at no charge to them so long as a total of at least \$10 million of clients' account assets are maintained at Schwab Institutional. Schwab Institutional's services include brokerage, custody, research, access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. Schwab Institutional also makes available to us other products and services that benefit from which we benefit. Some of these other products and services assist us 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 allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of our fees from its your accounts, and assist with back-office support, record keeping and client reporting. Many of these services generally may be used to service all or a substantial number of our accounts, including accounts not maintained at Schwab Institutional.

Some of the products, services and other benefits provided by Schwab Institutional benefit us but may not benefit your accounts. These benefits may include educational events organized and/or sponsored by Schwab Institutional and occasional business entertainment, which may include meals and attendance at sporting events and concerts. Our recommendation that you place assets in Schwab's custody may be based in part on benefits to us, and not solely on the nature, cost, or quality of custody and execution services provided by Schwab.

For our client accounts maintained in custody at Schwab, Schwab does not charge separately for custody, but is compensated by account holders through commissions or other transaction-related or asset based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

We believe that Schwab Institutional provides the best services at the lowest commission rates possible. The reasonableness of commissions is based on several factors, including the broker's ability to provide professional services, competitive commission rates, volume discounts, execution price negotiations, the broker's reputation, experience, and financial stability of the broker or dealer, and the quality of service rendered by the broker or dealer in other transactions.

Best execution is not measured solely by reference to commission rates. Paying a broker a higher commission rate than another broker might charge is permissible if the difference in cost is reasonably justified by the quality of the brokerage services offered.

We will also recommend the brokerage and custodial services of MHS, a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation.

Research and Other Soft Dollar Benefits

We do not have any soft dollar arrangements.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Directed Brokerage

We routinely recommend that you direct our firm to execute transactions through Schwab. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisors require their clients to direct brokerage.

Persons providing investment advice on behalf of our firm who are registered representatives of MHS may recommend MHS to you for brokerage services. In such cases, these individuals are subject to applicable rules that restrict them from conducting securities transactions away from MHS unless MHS provides the representative with written authorization to do so. Therefore, these individuals are generally limited to conducting securities transactions through MHS. It may be the case that MHS charges higher transactions costs and/or custodial fees than another broker charges for the same types of services. If transactions are executed through MHS, these individuals (in their separate capacities as registered representatives of MHS) may earn commission-based compensation as result of placing the recommended securities transactions through MHS. This practice may present a conflict of interest because these registered representatives may have an incentive to effect securities transactions for the purpose of generating commissions. You may utilize the broker-dealer of your choice and have no obligation to purchase or sell securities through our broker-dealer. However, if you do not use MHS, we may not be able to accept your account. Please see the "Fees and Compensation" section in this brochure for more information on the compensation received by registered representatives who are affiliated with our firm.

Block Trades

We combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average

price per share for all transactions and pays a proportionate share of all transaction costs. In certain instances, accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

Item 13 Review of Accounts

Jason Braun, Chief Compliance Officer of Legacy Advisors, LLC supervises the review of client accounts. The Associated person of our firm that is assigned to your account will monitor your accounts on an continuous basis and will conduct account reviews at least annually and upon your request to ensure that the advisory services provided to you and/or the portfolio mix are consistent with your current investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals,
- year-end tax planning,
- market moving events,
- security specific events, and/or,
- changes in your risk/return objectives.

We may provide you with additional or regular written reports in conjunction with account reviews. Reports we provide to you will contain relevant account and/or market-related information such as an inventory of account holdings and account performance, etc. In addition, you will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

Item 14 Client Referrals and Other Compensation

As disclosed under the "Fees and Compensation" section in this brochure, persons providing investment advice on behalf of our firm are licensed insurance agents, and are registered representatives with MHS, a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. For information on the conflicts of interest this presents, and how we address these conflicts, please refer to the "Fees and Compensation" section.

We directly compensate non-employee (outside) consultants, individuals, and/or entities (Solicitors) for client referrals. In order to receive a cash referral fee from our firm, Solicitors must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a Solicitor, you should have received a copy of this brochure along with the Solicitor's disclosure statement at the time of the referral. If you become a client, the Solicitor that referred you to our firm will receive either a percentage of the advisory fee you pay our firm for as long as you are a client with our firm, or until such time as our agreement with the Solicitor expires or a one-time, flat referral fee upon your signing an advisory agreement with our firm. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon your entering into an advisory agreement with our firm. Therefore, a Solicitor has a financial incentive to recommend our firm to you for advisory services. This has the potential for creating a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

Item 15 Custody

We directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement, a power of attorney, and/or trading authorization forms.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the "Advisory Business" section in this brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s).

Item 17 Voting Client Securities

Proxy Voting

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

Item 18 Financial Information

We are not required to provide financial information to our clients because we do not:

- require the prepayment of more than \$1,200 in fees and six or more months in advance, or
- take custody of client funds or securities, or
- have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

Item 19 Requirements for State Registered Investment Advisers

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

Item 20 Additional Information

Your Privacy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact Jason Braun at 610-943-3000, if you have any questions regarding this policy.

Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, you will keep the profit.