

Wrap Fee Brochure

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Legacy Private Client Group, Inc.

a Registered Investment Adviser

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This wrap fee brochure provides information about the qualifications and business practices of Legacy Private Client Group, Inc. (hereinafter "Legacy"). If you have any questions about the contents of this brochure, please contact please contact Ryan Shubin at (949) 622-5454. 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 Private Client Group, Inc. is available on the SEC's website at www.adviserinfo.sec.gov. Legacy Private Client Group, Inc. is an SEC registered investment adviser. Registration does not imply any level of skill or training.

Item 2. Material Changes

This section of the wrap fee brochure discusses only the material changes that have occurred since Legacy's last annual update of the wrap fee brochure. There are no material changes to report.

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Item 4. Services, Fees, and Compensation

The Legacy PCG Wrap Program (the “Program”) is an investment advisory program sponsored and managed by Legacy. The Program provides clients with the ability to trade in certain investment products without incurring separate brokerage commissions or transaction charges.

To join the Program, a client must:

- (1) Complete an investor profile that describes the client’s financial needs, investment objectives, time horizon, and risk tolerance, as well as any other factors relevant to the client’s specific financial situation and any other supporting documentation the Program requires;
- (2) Complete the investment advisory wrap fee agreement (the “*Agreement*”) with Legacy;
- (3) Complete a new account agreement with Charles Schwab & Co., Inc. (“*Schwab*”) or another broker dealer Legacy may approve for participation in the Program (“*Financial Institution*”); and
- (4) Open a securities brokerage account with the *Financial Institution* and deposit those assets designated for participation in the Program into the account.

After an analysis of any information provided by the client, Legacy assists the client in developing an appropriate investment strategy for the assets in their accounts. Thereafter, all clients are encouraged to discuss their needs, goals, and objectives with Legacy and to keep Legacy informed of any changes thereto. Legacy contacts ongoing clients at least annually to review its previous services and/or recommendations and to determine whether changes should be made to their investment strategy.

Management of Your Portfolio

Clients in the Program may choose to work on a discretionary or non-discretionary basis for the purchase, sale and otherwise trade in the type of securities described in Item 6, below for their accounts and to liquidate previously-purchased securities that the client has transferred to their Accounts. Assets are managed by one of Legacy’s investment adviser representatives.

Legacy recommends that certain clients authorize the active discretionary management of a portion of the assets by and/or among one or more independent investment managers (hereafter “*Independent Managers*”) to implement a particular investment strategy.

The terms and conditions under which the client engages the *Independent Managers* are set forth in a separate written agreement between Legacy or the client and the designated *Independent Managers*. Legacy continues to render advisory services to the client relative to the ongoing monitoring and review of account performance, for which Legacy receives an annual advisory fee based upon a percentage of the market value of the assets managed by the designated *Independent Managers*. Factors that Legacy considers in recommending *Independent Managers* include the client’s stated investment objectives,

management style, performance, reputation, financial strength, reporting, pricing, and research. In addition to Legacy's written disclosure brochure and/or wrap fee brochure, the client receives the written disclosure brochure of the designated *Independent Managers*.

Fees for the Program

Clients in the Program pay a single annualized fee for participation in the Program (the "*Program Fee*"). The *Program Fee* is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by Legacy under the Program on the last day of the previous quarter. The *Program Fee* varies (between 0.70% and 2.20%) depending upon a number of factors to be determined by the firm, including market value of the assets under management, complexity of the account, related accounts, etc.

Legacy, in its sole discretion, may negotiate to charge a lesser *Program Fee* based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, *pro bono* activities, etc.).

Fee Comparison

Under the Program, clients receive both investment advisory services and the execution of transactions for a single, combined annualized fee ("*Program Fee*"). The *Program Fee* may also include the management and transaction fees charged by the *Independent Managers*. Participation in the Program may cost the client more or less than purchasing such services separately. The Program presents a potential conflict of interest insofar as it may present a potential disincentive for Legacy to trade securities in client accounts. The number of transactions made in the client's accounts, as well as the commissions charged for each transaction, determines the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. The *Program Fee* may be higher or lower than fees charged by other sponsors of comparable investment advisory programs.

Other Charges

Clients may incur certain charges imposed by third parties in addition to the *Program Fee* such as fees charged by *Independent Managers* (as defined below), charges imposed directly by a mutual fund or exchange-traded fund in the account, which is disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Item 5. Account Requirements and Types of Clients

The Program is offered to individuals, pension and profit sharing plans, banking, thrift institutions, trusts, estates, charitable organizations, corporations and business entities.

Minimums Imposed By *Independent Managers*

Legacy does not require a minimum portfolio size or minimum annual *Program Fee*. Certain *Independent Managers* may, however, impose more restrictive account requirements and varying billing practices than Legacy. In such instances, Legacy may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Managers*.

Item 6. Portfolio Manager Selection and Evaluation

Legacy acts as the sponsor and portfolio manager of the Program. Certain wrap programs involve the services of multiple parties in these capacities, which may involve additional conflicts of interest that the sponsor would be required to disclose in this section. Legacy has no disclosures to make under this section.

Performance-Based Fees and Side-by-Side Management

Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client. Legacy does not charge performance-based fees for any of its services.

Methods of Analysis

Legacy primarily employs fundamental and technical methods of investment analysis.

Fundamental analysis involves the fundamental financial condition and competitive position of a company. Legacy will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

Technical analysis involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that Legacy will be able to accurately predict such a reoccurrence.

Investment Strategies

The Firm consults with clients initially and on an ongoing basis to develop an investment plan that is customized to each client's goals and objectives. Legacy's investment strategy includes utilizing the Independent Managers (as defined below) in connection with mutual funds, hedge funds and individual stocks and bonds. The investment plan will be revisited at a minimum of once per year and adjusted according to the client's particular needs and circumstances.

Risks of Loss

Mutual Funds and Exchange Traded Funds (ETFs)

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Options

Options allow investors to buy or sell a security at a contracted "strike" price (not necessarily the current market price) at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying

security or index does not increase/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

Market Risks

The profitability of a significant portion of Legacy's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that Legacy will be able to predict those price movements accurately.

Use of Independent Managers

Legacy may recommend the use of *Independent Managers* for certain clients. Legacy will continue to do ongoing due diligence of such managers, but such recommendations rely, to a great extent, on the *Independent Managers* ability to successfully implement their investment strategy. In addition, Legacy does not have the ability to supervise the *Independent Managers* on a day-to-day basis other than as previously described in response to Item 4, above.

Use of Private Collective Investment Vehicles

Legacy may recommend the investment by certain clients in privately placed collective investment vehicles (some of which may be typically called "hedge funds"). The managers of these vehicles will have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. The hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. The client will receive a private placement memorandum and/or other documents explaining such risks.

General Risk of Loss

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

Voting of Client Securities

Legacy may vote client securities (proxies) on behalf of its clients, but generally will only do so upon written agreement. When Legacy accepts such responsibility, it will only cast proxy votes in a manner consistent with the best interest of its clients. Absent special circumstances, which are fully- described in Legacy's Proxy Voting Policies and Procedures, all proxies will be voted consistent with guidelines established and described in Legacy's Proxy Voting Policies and Procedures, as they may be amended from time-to-time. Clients may contact Legacy to request information about how Legacy voted proxies for that client's securities or to get a copy of Legacy's Proxy Voting Policies and Procedures. A brief summary of Legacy's Proxy Voting Policies and Procedures is as follows:

- Legacy has formed a Proxy Voting Committee that will be responsible for monitoring corporate actions, making voting decisions in the best interest of clients, and ensuring that proxies are submitted in a timely manner.
- The Proxy Voting Committee will generally vote proxies according to Legacy's then current Proxy Voting Guidelines. The Proxy Voting Guidelines include many specific examples of voting decisions for the types of proposals that are most frequently presented, including: composition of the board of directors; approval of independent auditors; management and director compensation; anti-takeover mechanisms and related issues; changes to capital structure; corporate and social policy issues; and issues involving mutual funds.
- Although the Proxy Voting Guidelines are followed as a general policy, certain issues are considered on a case-by-case basis based on the relevant facts and circumstances. Since corporate governance issues are diverse and continually evolving, Legacy devotes an appropriate amount of time and resources to monitor these changes.
- Clients cannot direct Legacy's vote on a particular solicitation but can revoke Legacy's authority to vote proxies.

In situations where there may be a conflict of interest in the voting of proxies due to business or personal relationships that Legacy maintains with persons having an interest in the outcome of certain votes, Legacy takes appropriate steps to ensure that its proxy voting decisions are made in the best interest of its clients and are not the product of such conflict.

Item 7. Client Information Provided to Portfolio Managers

Legacy acts as the sponsor and portfolio manager of the Program. Certain wrap programs involve the services of multiple parties in these capacities. In those circumstances, the sponsor is required to disclose how and what type of information about client that it provides to portfolio managers. As Legacy performs these functions itself, it has no disclosures to make under this section.

Item 8. Client Contact with Portfolio Managers

There are no restrictions on a clients' ability to contact and consult with Legacy. To the extent clients may wish to contact Independent Managers about their investments, clients may do so through Legacy by providing Legacy with written request and identification of the questions or issues to be discussed with the *Independent Manager(s)*. After receiving the client's written request Legacy, at its sole discretion, may contact the *Independent Manager(s)* on behalf of the client or may arrange for the client and *Independent Manager(s)* to communicate directly.

Item 9. Additional Information

Disciplinary Information

Legacy is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. Legacy does not have any required disclosures to this Item.

Other Financial Industry Activities and Affiliations

Certain Investment Advisor Representatives also Registered Representatives of Brokerage Firm

Clients may engage certain persons associated with Legacy (but not Legacy) to render securities brokerage services under a commission arrangement. Clients are under no obligation to engage such persons (currently only Ryan Shubin) and may choose brokers or agents not affiliated with Legacy. Under this arrangement, clients may implement securities transactions through certain of Legacy's *Supervised Persons* in their respective individual capacities as registered representatives of Purshe Kaplan Sterling ("PKS"), an SEC registered broker-dealer and member of FINRA. PKS may charge brokerage commissions to effect these securities transactions and thereafter, a portion of these commissions may be paid by PKS to such *Supervised Persons*. Prior to effecting any transactions clients are required to enter into a new account agreement with PKS. The brokerage commissions charged by PKS may be higher or lower than those charged by other broker-dealers. In addition, certain of Legacy's *Supervised Persons* may also receive ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that the client maintains the mutual fund investment. Legacy recommends no-load funds (only necessary if the Firm primarily recommends mutual funds). Legacy does not charge an advisory fee on the same assets for which its *Supervised Persons* receive commissions.

A conflict of interest exists to the extent that Legacy recommends the purchase of securities where one of Legacy's *Supervised Persons* receives commissions or other additional compensation as a result of Legacy's recommendations. Legacy has procedures in place to ensure that any recommendations made by such *Supervised Persons* are in the best interest of clients.

Code of Ethics

Legacy and persons associated with Legacy ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with Legacy's policies and procedures.

Legacy has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("*Code of Ethics*"). In accordance with Section 204A of the Investment Advisers Act of 1940 (the "Advisers Act"), its *Code of Ethics* contains written policies reasonably designed to prevent the unlawful use of material non-public information by Legacy or any of its associated persons. The *Code of Ethics* also requires that certain of Legacy's personnel (called "*Access Persons*") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

Unless specifically permitted in Legacy's *Code of Ethics*, none of Legacy's *Access Persons* may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the *Access Person*) any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of Legacy's clients.

When Legacy is purchasing or considering for purchase any security on behalf of a client, no *Access Person* may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when Legacy is selling or considering the sale of any security on behalf of a client, no *Access Person* may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

If you or a related person recommends to clients, or buys or sells for client accounts, securities in which you or a related person has a material financial interest, describe your practice and discuss the conflicts of interest it presents.

Clients and prospective clients may contact Legacy to request a copy of its *Code of Ethics*.

Review of Accounts and General Reports

Legacy monitors assets as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis.

Clients are provided with transaction confirmation notices and regular summary account statements directly from the *Financial Institutions* for assets.

Client Referrals and Other Compensation

Legacy is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. In addition, Legacy is required to disclose any direct or indirect compensation that it provides for client referrals. Legacy does not have any required disclosures to this Item.

Financial Information

Legacy is required to disclose whether it requires or solicits the prepayment of fees exceeding \$1,200 six months or more in advance of providing advisory services. In addition, the Firm is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Legacy has no disclosures pursuant to this Item.

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