

# Legacy Financial Group, LLC

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## FORM ADV PART 2A BROCHURE

April 4, 2018

*Item 1 Cover page*

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This brochure provides information about the qualifications and business practices of Legacy Financial Group, LLC. If you have any questions about the contents of this brochure, please contact us at (310) 756-1700. 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 Financial Group, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Legacy Financial Group, LLC is 115901.

Legacy Financial Group, LLC is a registered investment adviser. 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

As a registered investment adviser, we must ensure that our brochure is current and accurate. If there have been any material changes to our disclosure brochure since our last annual update, we will provide a description of such material changes here.

Since the filing of our last annual updating amendment, dated February 4, 2017 we have no material changes to report.

If you would like to receive a full copy of the entire brochure at no charge, please contact us at (310) 756-1700.

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## Item 4 Advisory Business

Legacy Financial Group, LLC ("we", "our", "us") is a registered investment adviser based in Torrance, CA. We are organized as a limited liability company under the laws of the State of California. We have been providing investment advisory services since 2001. Melanie Tanaka, Managing Member is our principal owner. We are an independent financial adviser that provides financial planning services including personal financial planning, asset allocation and asset management. These services are independent of the investment supervisory services the firm offers through SagePoint Financial, Inc. and other third party investment advisers.

Currently, we offer the following investment advisory services, which are personalized to each individual client:

- **Financial Planning Services**
- **Selection of Advisers (Third Party Management)**
- **Asset Allocation and Management Services**

Such services are provided by our Investment Adviser Representatives ("Advisory Representative").

As used in this brochure, the words "you", "your" and "client" refer to you as either a client or prospective client of our firm. 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.

### **Financial Planning Services**

We offer broad based financial planning services based on either a fixed fee of \$5,000 or a maximum hourly rate of \$250. The services include personal financial planning, asset allocation and asset management. We first conduct a complimentary initial consultation for the purpose of eliciting all pertinent information about your financial needs. Information gathered includes, but is not limited to, your current financial status, future goals and attitudes towards risk. Once such information has been reviewed and analyzed, a written financial plan -- designed to achieve your stated financial goals and objectives -- may be produced and presented to you.

The final fee shall be directly dependent upon the facts and circumstances of your financial situation and the complexity of the financial plan or service requested. An estimate for total hours will be determined at the start of the advisory relationship. The hourly rate and fixed fee are negotiable. If you choose to proceed, a retainer of fifty percent of the estimated fee is due upon signing the advisory agreement with the balance due upon completion of the contracted services. Typically the financial plan will be presented to you within 90 days or less of the contract date, provided that you promptly provide all information needed to prepare the financial plan.

Should you choose to implement the recommendations contained in the plan, we suggest you work closely with your attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at your discretion, as you are under no obligation to act upon any of the recommendations made under a financial planning engagement and/or to engage the services of any recommended professional. If you elect to act on any of the recommendations, you are under no obligation to effect the transactions through the registrant, or associated person when the person is an agent with a licensed broker-dealer or through any associate or affiliate of such person. You may elect to have an annual review of your progress with the financial plan. All annual reviews will be subject to the firm's hourly rate of up to \$250.

**Refund/Termination Policy**

You may terminate the agreement upon our receipt of written notice. Upon termination any prepaid fees will be prorated to the date of termination and returned to you. A full refund of any fees paid will be made if the contract is terminated within 5 business days of signing the agreement.

Our Advisory Representatives may be Certified Financial Planners; however, our clients understand that they will not be receiving any formal financial planning services from these individuals unless the firm is specifically engaged to perform financial planning services. Under such arrangements, the scope of the financial planning services will be clearly set forth in a formal engagement letter signed by both you and a qualified representative of ours.

**Selection of Other Advisers (Third Party Management)**

As part of our investment advisory services, we may recommend that you use the services of a third party investment adviser ("TPA") to manage your entire, or a portion of your, investment portfolio. All third-party investment advisers to whom we refer clients must be licensed as an investment adviser by the State of California or a registered investment adviser with the Securities and Exchange Commission.

After gathering information about your financial situation and investment objectives, one of our representatives will assist you in selecting a particular third-party management program. Factors that we consider in the selection of a particular third-party may include, without limitation: i) our qualitative assessment of a particular third-party program; ii) your risk tolerance, goals, objectives and restrictions, as well as investment experience; and, iii) the assets you have available for investment.

Advisory fees charged by TPAs are separate and apart from our advisory fees. Assets managed by TPAs will be included in calculating our advisory fee, which is based on the fee schedule set forth in the "Fees and Compensation" section in this brochure. Advisory fees that you pay to the TPA are established and payable in accordance with the brochure provided by each TPA to whom you are referred. These fees may or may not be negotiable. You should review the recommended TPA's this brochure and take into consideration the TPA's fees along with our fees to determine the total amount of fees associated with this program.

Certain programs may charge a "wrap fee." Selection of a "wrap fee" program may result in the payment of fees by you in excess of the combined total of separate advisory fees and brokerage commissions paid on a transactional basis. If a "wrap fee" program is not selected, you may incur additional fees, in addition to the fees charged by the third-party investment advisers; you may be charged transaction charges by securities broker-dealers.

Clients who are referred to third-party investment advisers will receive full disclosure, including services rendered and fee schedules, at the time of the referral, by delivery of a copy of the relevant third-party adviser's Form ADV Part 2A or equivalent disclosure document. In addition, if the investment program recommended to you is a wrap fee program, you will also receive the Part 2A, Appendix #1, or equivalent wrap fee brochure provided by the sponsor of the program. We will provide to each client all appropriate disclosure statements, including disclosure of solicitation fees to us and our Advisory Representatives.

You will be required to sign an advisory agreement with us and will also sign an advisory agreement directly with the third-party adviser of the program selected. You, our firm or the third-party adviser in accordance with the provisions of those agreements may terminate the advisory relationship. You will

typically receive a pro rata refund of any prepaid advisory fees upon termination of an advisory agreement. Additionally, you may terminate our advisory relationship without being assessed any penalty within five (5) business days of its signing an advisory agreement.

We will contact you at least quarterly, and will inquire about changes in your financial situation and needs of investment objectives. In addition, we will offer to meet with you at least annually to review any changes in your financial situation, needs or investment objectives, as well as the performance of the programs managed by the third-party investment adviser.

### **SEI Asset Management Program**

We participate in SEI's Managed Accounts Program (the "MAP Program"). To participate in the MAP Program, our firm, SEI Investments Management Corporation ("SIMC") and you must execute a tri-party agreement ("Managed Account Agreement") providing for the management of your designated assets in accordance with the terms thereof. Pursuant to a Managed Account Agreement, you must appoint our firm as your investment adviser to assist in selecting an asset allocation strategy, which would include the percentage of assets allocated to designated portfolios of separate securities (each, a "Managed Account Portfolio") and may include the percentage of assets allocated to a portfolio of mutual funds advised by SIMC or an affiliate of SIMC. You must appoint SIMC to manage the assets in each Managed Account Portfolio in accordance with a strategy selected that we will help you select. SIMC may delegate its responsibility for selecting particular securities to one or more portfolio managers.

Under the MAP Program, you will receive investment advisory services, the execution of securities brokerage transactions, custody services and reporting services for a single specified fee. Participation in the MAP Program may cost more or less than purchasing such services separately. In addition, the fees may be higher or lower than that charged by other sponsors of comparable wrap fee programs. The aforementioned fees may be subject to a discount.

Additionally, the MAP Program offers a feature called Integrated Managed Accounts ("IMAP"), which is an enhancement to the standard MAP Program. In IMAP, SIMC selects one sub-adviser to serve as a tax manager for the entire Managed Account Portfolio. Other sub-advisers recommend securities using buy/sell lists for their specific asset class to which the investor has selected. An integration fee will be charged to the investor's account when the investor selects the IMAP feature. The fee will cover the integration of the equity managers, which helps result in increased coordination across the equity account, increased tax efficiency and additional features such as wash sale prevention. These additional fees only apply to the equity portion of your account that is allocated to the integrated equities portfolio; the fees do not apply to the fixed income or funds portion of the account (if applicable).

You must appoint SIMC to manage the assets in each Managed Account Portfolio in accordance with a strategy selected by the investor together with the Adviser. SIMC may delegate its responsibility for selecting particular securities to one or more portfolio managers. For the DFS Program, SIMC is responsible for selecting securities (generally SEI's proprietary mutual funds) underlying each portfolio in accordance with its investment strategies, and, therefore, selecting the securities into which the investor's assets will be invested.

With the SEI Asset Allocation Program, our firm serves as your investment adviser, and we are responsible for analyzing the investor's current financial situation, return expectations, risk tolerance, time horizon, and asset class preference, pursuant to the Adviser's investment advisory agreement. Based upon the investor's information, the Adviser and the investor select an investment strategy and choose from one of many mutual fund asset allocation models, which may be provided by SEI Investments Management Corporation ("SIMC"), or purchase the individual mutual funds.

We will allocate the assets placed in the investor's account among the SEI Funds (a family of mutual funds advised by SIMC) in accordance with the investment strategy, goal or model selected by the investor. The investor, through the Adviser, may adjust their asset allocation to help ensure that the mix reflects the objectives of the chosen strategy. The investor may, at any time, impose reasonable restrictions on the management of his/her account or choose a new investment strategy. For participant-directed plans, assets will be invested in the SEI Asset Allocation mutual funds and other style-specific SEI Funds (if applicable).

In accordance with the investor's investment objectives, the Adviser may also allocate assets placed in the investor's account among the SEI Funds through SEI's Private Client Models, which reflect SIMC's institutional asset allocation models more aligned with individual investors' goals. SIMC expects to make changes to the Private Client Models periodically to incorporate changes to the mutual fund asset allocations underlying the models. Upon consent from the Adviser (on behalf of the investor), these asset allocation changes will be made to the investor's accounts invested in the Private Client Models.

The SEI Funds are administered, distributed, and in some cases advised by SIMC or its affiliates for which it is paid fees as disclosed in the SEI Funds' prospectuses. The prospectus (es) should be read carefully by all investors before investing in the SEI Funds.

### **GoalLink - Integrated Managed Account Program**

We participate in The GoalLink Integrated Managed Account Program ("GoalLink Program"). We offer the GoalLink Program to high net worth individuals, trusts, endowments, foundations, and institutions. Through the GoalLink Program, we serve as the primary investor contact, responsible for analyzing your current financial situation, return expectations, risk tolerance, time horizon, and asset class preference. Using the GoalLink Presentation Tool, both our firm and you select an investment strategy ("Strategy") which is then submitted and reviewed by a representative of SEI Investments Management Corporation ("SIMC"). The Strategy may include a combination of individual securities and mutual funds advised by SIMC (the "SEI Funds"), based upon the investor's selected Strategy and account size.

To participate in the Program, we, SIMC, and you must execute a tri-party agreement ("Agreement") providing for the management of certain investor assets in accordance with the terms thereof. Pursuant to the Agreement, you appoint us as your investment adviser to assist you in selecting the Strategy. Based upon the selected Strategy, SIMC will have investment authority of the assets and will make prescribed adjustments to the Strategy weights based on the market environment at a point in time. However, you may, at any time, impose reasonable restrictions on the management of your account or choose a new Strategy. SIMC's investment authority is effective until changed or revoked in writing. SIMC may delegate its day-to-day responsibility for selecting particular securities to one or more sub-advisers.

The SEI Funds expenses are found in the Funds' prospectus, which should be read carefully by all investors before investing. For SIMC's fees on assets held in the separate accounts, the fees are determined based on the asset classes incorporated in your account. The following sets forth the fees charged by SIMC for each specific Strategy managed in the GoalLink Program.



## **ASSET ALLOCATION AND MANAGEMENT SERVICES**

### **VISION2020 Wealth Management Platform - *Advisor Managed Portfolios***

The Wealth Management Platform - Advisor Managed Portfolios Program ("Advisor Managed Portfolios") provides comprehensive investment management of your assets through the application of asset allocation planning software as well as the provision of execution, clearing and custodial services.

Advisor Managed Portfolios provides risk tolerance assessment, efficient frontier plotting, fund profiling and performance data, and portfolio optimization and re-balancing tools. Utilizing these tools, and based on your responses to a risk tolerance questionnaire ("Questionnaire") and discussions that we have together regarding, among other things, investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation, we construct a portfolio of investments for you. We have the option to allocate your portfolio amongst a mix of stocks, bonds, options, exchange-traded funds, mutual funds and other securities ("Program Investments") which are based on your investment goals, objectives, and risk tolerance. Each portfolio is designed to meet your individual needs, stated goals and objectives. Additionally, you have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

**For further Advisor Managed Portfolios details, please see the Advisor Managed Portfolios Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in Advisor Managed Portfolios. Please read it thoroughly before investing.**

### **VISION2020 Wealth Management Platform - *Model Portfolios Program***

The Wealth Management Platform - Model Portfolios Program ("Model Program") offers you managed asset allocation models ("Asset Allocation Models") of mutual funds, exchange traded funds ("ETFs"), or a combination thereof, diversified across various investment styles and strategies. The Asset Allocation Models are constructed by managers ("Program Managers") such as BlackRock Investment Management, LLC and Vanguard Advisers, Inc. Based upon your risk tolerance, the Model Program utilizes a system that selects a specific Asset Allocation Model. After the Asset Allocation Model is chosen, we, with the assistance of the Model Program sponsor, will open a Model Program account. Your assets will be invested in the specific investments contained within the recommended Asset Allocation Model. You have the opportunity to place reasonable restrictions on investments held within the Model Program account.

**For further Model Program details, including a full list of Program Managers, please see the Model Program Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in the Model Program. Please read it thoroughly before investing.**

### **VISION2020 Wealth Management Platform - *SMA and UMA Program***

The Wealth Management Platform - SMA and UMA Account Program ("Wealth Managed Account Program" or "WMA") provides you with the opportunity to invest your assets across multiple investment strategies and asset classes by implementing an asset allocation strategy. WMA is a Wrap Account program that offers these advisory services along with brokerage and custodial services for a single, annual, asset-based advisory fee.

We will present you with a WMA asset allocation model ("WMA Model") for your approval which will consist of: 1) third party money managers ("WMA Managers") who will manage your WMA account according to a particular equity or fixed income model or strategy, or 2) no-load mutual funds ("Funds"), or 3) exchange traded funds ("ETFs") or any combination thereof (individually or collectively, "WMA



Investments"). WMAP Investments will be managed according to the selected WMAP Model. WMAP Investments are held within a separately managed account or a series of separately managed accounts (collectively, "SMA Account") or in one, unified managed account ("UMA Account").

We will suggest a WMAP Model to you based on your responses to a risk tolerance questionnaire ("Questionnaire") and discussion that we have together regarding among other things, investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation. In addition, you have the opportunity to place reasonable restrictions on investments held within your WMAP account.

**For further WMAP details, please see the WMAP Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in WMAP. Please read it thoroughly before investing.**

### **Types of Investments**

We offer advice on equity securities, warrants, corporate debt securities, certificates of deposit, municipal securities, investment company securities, US Government securities, exchange-traded fund (ETF), and interest in partnerships investing in real estate, oil and gas interests.

Additionally, 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.

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, 2017, we provide continuous management services for \$7,477,463 in client assets on a discretionary basis, and \$107,196,774 in client assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### **Financial Planning Services**

We offer broad based financial planning services based on either a fixed fee of \$5,000 or a maximum hourly rate of \$250. The services include personal financial planning, asset allocation and asset management. The final fee shall be directly dependent upon the facts and circumstances of your financial situation and the complexity of the financial plan or service requested. An estimate for total hours will be determined at the start of the advisory relationship. The hourly rate and fixed fee are negotiable.

If you choose to proceed, a retainer of fifty percent of the estimated fee is due upon signing the advisory agreement with the balance due upon completion of the contracted services.

### **Selections of Other Advisers**

Fees paid by you to independent third-party advisers are established and payable in accordance with the Form ADV Part 2A or other equivalent disclosure provided by each independent third-party adviser to whom we refer our clients, and may or may not be negotiable, as disclosed in the disclosure documents of the third-party adviser.

### ***SEI Asset Management Program***

The fees payable to Legacy Financial Group, LLC are in accordance with the following blended fee schedule:

<b>Market Value Breakpoint</b>	<b>Adviser Maximum Annual Fee</b>
On the first \$249,999	2.25%
On the next \$250,000 - 499,999	2.15%
On the next \$500,000 - 749,999	1.80%
On the next \$750,000 - 1,249,999	1.55%
On the next \$1,250,000 - 1,999,999	1.30%
On the next \$2,000,000 - 24,999,999	1.05%
Assets over \$25,000,000	0.80%

**Fees payable to SIMC are in addition to fees payable to Legacy Financial Group, LLC. All fees payable to SIMC are set forth in SEI's disclosure document and should be reviewed carefully in order to fully understand the amount of fees associated with SEI programs.**

### **ASSET ALLOCATION AND MANAGEMENT SERVICES**

#### ***VISION2020 Wealth Management Platform - Advisor Managed Portfolios***

<b>Total Account Value</b>	<b>Maximum Account Fee</b>
\$50,000 to \$99,999	2.30%
\$100,000 to \$249,999	2.30%
\$250,000 to \$499,999	2.05%
\$500,000 to \$749,999	1.80%
\$750,000 to \$999,999	1.55%
\$1,000,000 to \$1,249,999	1.55%
\$1,250,000 to \$1,999,999	1.30%
\$2,000,000 to \$24,999,999	1.05%
25,000,000 and Over	0.80%

#### ***VISION2020 Wealth Management Platform - Model Portfolios Program***

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. You will receive a full account fee refund in the event that you terminate your client agreement with us within five business days of signing. If you terminate after the first five days, the account fee will be credited back to you on a pro-rata basis for the unused portion of the quarter.

***The Minimum account size required to participate in the Model Portfolios Program is \$25,000.***

Additional, ancillary Model Program fees may apply. Our Model Program account fee schedule(s) are as follows:

#### **Pricing/Fee Schedule**

Accounts can be charged the maximum annual advisory fee specified in the applicable schedule:

### Black Rock Investment Management

<b>Total Account Value</b>	<b>Maximum Account Fee</b>
\$25,000 to \$99,999	2.090%
\$100,000 to \$249,999	2.090%
\$250,000 to \$499,999	2.055%
\$500,000 to \$749,999	2.045%
\$750,000 to \$999,999	2.010%
\$1,000,000 to \$1,999,999	1.985%
\$2,000,000 to \$4,999,999	1.950%
\$5,000,000 to \$24,999,999	1.915%
25,000,000 and Over	1.905%

### Caprin Asset Management

<b>Total Account Value</b>	<b>Maximum Account Fee</b>
\$25,000 to \$99,999	2.290%
\$100,000 to \$249,999	2.290%
\$250,000 to \$499,999	2.255%
\$500,000 to \$749,999	2.245%
\$750,000 to \$999,999	2.210%
\$1,000,000 to \$1,999,999	2.185%
\$2,000,000 to \$4,999,999	2.150%
\$5,000,000 to \$24,999,999	2.115%
25,000,000 and Over	2.105%

### Clark Fixed Income

<b>Total Account Value</b>	<b>Maximum Account Fee<sup>1</sup></b>
\$25,000 to \$99,999	2.620%
\$100,000 to \$249,999	2.620%
\$250,000 to \$499,999	2.570%
\$500,000 to \$749,999	2.545%
\$750,000 to \$999,999	2.520%
\$1,000,000 to \$1,999,999	2.445%
\$2,000,000 to \$4,999,999	2.420%
\$5,000,000 to \$9,999,999	2.345%
\$10,000,000 to \$24,999,999	2.295%
25,000,000 and Over	2.285%

<sup>1</sup>The Maximum Account Fee includes revenue sharing payments made by Clark Global Navigator/MultiStrategy to our associated broker-deal, SagePoint Financial.

Clark GlobalNavigator/MultiStrategy

<b>Total Account Value</b>	<b>Maximum Account Fee</b>
\$25,000 to \$99,999	2.520%
\$100,000 to \$249,999	2.520%
\$250,000 to \$499,999	2.470%
\$500,000 to \$749,999	2.445%
\$750,000 to \$999,999	2.420%
\$1,000,000 to \$1,999,999	2.345%
\$2,000,000 to \$4,999,999	2.320%
\$5,000,000 to \$24,999,999	2.295%
25,000,000 and Over	2.285%

**ENVESTNET ASSET MANAGEMENT (PMC ASSET ALLOCATION MODELS)  
ADVISOR GROUP GENESIS SERIES**

(a) PMC Foundation Passive Fund Strategist Portfolios

<b>Total Account Value</b>	<b>Maximum Account Fee</b>
\$5,500 to \$99,999	2.190%
\$100,000 to \$249,999	2.190%
\$250,000 to \$499,999	2.155%
\$500,000 to \$749,999	2.145%
\$750,000 to \$999,999	2.110%
\$1,000,000 to \$1,999,999	2.085%
\$2,000,000to \$4,999,999	2.050%
\$5,000,000 to \$24,999,999	2.015%
\$25,000,000 and Over	2.005%

(b) American Funds® PMC Active Core Portfolios

<b>Total Account Value</b>	<b>Maximum Account Fee</b>
\$10,000 to \$99,999	2.190%
\$100,000 to \$249,999	2.190%
\$250,000 to \$499,999	2.155%
\$500,000 to \$749,999	2.145%
\$750,000 to \$999,999	2.110%
\$1,000,000 to \$1,999,999	2.085%
\$2,000,000to \$4,999,999	2.050%
\$5,000,000 to \$24,999,999	2.015%
\$25,000,000 and Over	2.005%

(c) PMC Strategic ETF Solution Portfolios

<b>Total Account Value</b>	<b>Maximum Account Fee</b>
\$15,000 to \$99,999	2.190%
\$100,000 to \$249,999	2.190%
\$250,000 to \$499,999	2.155%
\$500,000 to \$749,999	2.145%
\$750,000 to \$999,999	2.110%
\$1,000,000 to \$1,999,999	2.085%
\$2,000,000 to \$4,999,999	2.050%
\$5,000,000 to \$24,999,999	2.015%
\$25,000,000 and Over	2.005%

Loring Ward DFA Funds

<b>Total Account Value</b>	<b>Maximum Account Fee</b>
\$25,000 to \$99,999	2.370%
\$100,000 to \$249,999	2.370%
\$250,000 to \$499,999	2.320%
\$500,000 to \$749,999	2.295%
\$750,000 to \$999,999	2.270%
\$1,000,000 to \$1,999,999	2.195%
\$2,000,000 to \$4,999,999	2.170%
\$5,000,000 to \$24,999,999	2.145%
\$25,000,000 and Over	2.135%

New Frontier Advisors, LLC

<b>Total Account Value</b>	<b>Maximum Account Fee</b>
\$25,000 to \$99,999	2.340%
\$100,000 to \$249,999	2.340%
\$250,000 to \$499,999	2.305%
\$500,000 to \$749,999	2.295%
\$750,000 to \$999,999	2.260%
\$1,000,000 to \$1,999,999	2.235%
\$2,000,000 to \$4,999,999	2.200%
\$5,000,000 to \$24,999,999	2.165%
\$25,000,000 and Over	2.155%

Vanguard Advisers, Inc.

<b>Total Account Value</b>	<b>Maximum Account Fee</b>
\$25,000 to \$99,999	2.090%
\$100,000 to \$249,999	2.090%
\$250,000 to \$499,999	2.055%
\$500,000 to \$749,999	2.045%
\$750,000 to \$999,999	2.010%
\$1,000,000 to \$1,999,999	1.985%
\$2,000,000 to \$4,999,999	1.950%
\$5,000,000 to \$24,999,999	1.915%
\$25,000,000 and Over	1.905%

**IMPORTANT:** For further Model Program details, including a full list of Program Managers, please see the Model Program Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in the Model Program. Please read it thoroughly before investing.

***VISION2020 Wealth Management Platform - SMA and UMA Program***

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. You will receive a full account fee refund in the event that you terminate your client agreement with us within five business days of signing. If you terminate after the first five days, the account fee will be credited back to you on a pro-rata basis for the unused portion of the quarter.

Additional, ancillary WMAP fees may apply. Please see the WMAP Wrap Fee Program Brochure for further details. Our WMAP account fee schedule is as follows:

***Equity Account Pricing***

The representative can charge a maximum of 2.75%. The standard pricing below is the programs administrative fee, and is shown as basis points (110 basis points = 1.10%). Any fee % above this is the representative's portion.

<b>Total Acct. Value</b>	<b>Standard Pricing</b>
\$110K to \$500K	110
\$500K to \$1 Million	105
\$1 Mill to \$2 Million	100
\$2 Mill to \$3 Million	95
\$3 Mill to \$4 Million	90
\$4 Mill to \$5 Million	88
Over \$5 Million	85

### *Fixed Income Account Pricing*

The representative can charge a maximum of 2.75%. The standard pricing below is the programs administrative fee, and is shown as basis points (110 basis points = 1.10%). Any fee % above this is the representative's portion.

<b>Total Acct. Value</b>	<b>Standard Pricing</b>
\$110K to \$500K	85
\$500K to \$1 Million	80
\$1 Mill to \$2 Million	75
\$2 Mill to \$3 Million	70
\$3 Mill to \$4 Million	65
\$4 Mill to \$5 Million	60
Over \$5 Million	55

**For further WMAP details please see the WMAP Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in WMAP. Please read it thoroughly before investing.**

### **Financial Planning**

Financial planning services are charged either on an hourly or fixed fee arrangement based upon the fee schedules below and as agreed upon between you and our advisory representative. Fees are negotiable and will vary depending upon the complexity of your situation and services to be provided. Similar financial planning services may be available elsewhere at a lower cost to you.

Fixed or flat fees for a financial plan will range from \$500 - \$10,000, depending on the nature and complexity of your circumstances. Fixed fees are payable fifty percent (50%) upon the signing of your Client Agreement (and are nonrefundable) and the balance is due upon delivery of the financial plan.

Hourly Fees will range from \$50 - \$300 per hour, depending on the nature and complexity of your circumstances. Hourly fees for the Financial Plan will be billed to you after the services are performed and are due upon receipt of the bill.

When you receive financial planning services, you may also purchase securities or insurance products offered through SagePoint pursuant to the plan or consultation. Our Advisory Representatives may receive commissions (and this may be their primary method of compensation) as Registered Representatives of SagePoint or insurance agents in connection with such transactions. Thus, we may have a conflict of interest when providing financial planning services to you as there may be an incentive for us to recommend specific courses of action through our financial planning services that may lead to our Advisory Representatives receiving additional compensation.

Please be aware that you are under no obligation to purchase products or services recommended by us or members of our Firm in connection with our providing you with financial planning services, or any advisory service that we offer.

### **Additional Fees and Expenses**

Mutual fund investments in the programs that we offer are no-load or load at NAV. Your mutual fund investments may be subject to early redemption fees, 12b-1 fees and mutual fund management fees as well as other mutual fund expenses. These fees are in addition to the fees and expenses referenced above. Please review the mutual fund prospectus for full details.



For SagePoint programs that may have per-trade transaction charges (Wrap Accounts), you will be charged an additional minimal fee for each trade confirmation that you do not elect to receive electronically. You may also be subject to an additional, per-trade transaction charge on the selling of certain securities as disclosed on your trade confirmation (generally less than \$1.00 on trades of \$50,000 or less). These fees are not shared with us but are transaction charges paid to SagePoint and our custodian. Please see Section: Other Financial Industry Activities and Affiliations which explains our relationship with SagePoint.

There are additional fees relating to IRA and Qualified Retirement Plan accounts that you may incur such as maintenance and termination fees. You will find these fees disclosed in the account application paperwork provided to you associated with these accounts.

In addition to providing advisory services, our Advisory Representatives may also sell you securities products and other investment and insurance products in their capacity as registered representatives of SagePoint and as licensed insurance agents. We may receive additional compensation in connection with this activity and the amount of compensation may depend on the type of product purchased. We may have a financial incentive to sell certain products as opposed to others (for example, in the case of mutual funds those that have a higher 12b-1 fee than others). Please be aware that you are under no obligation to purchase products or services recommended by us or members of our Firm in connection with providing you with any advisory service that we offer.

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 SagePoint Financial, Inc., a securities broker-dealer, and a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). 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 is separate and in addition to our advisory fees. Persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they 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 registered representatives and insurance agents may have an incentive to effect securities and insurance transactions for the purpose of generating commissions rather than solely based on your needs.

We will endeavor at all times to place your interests first when making recommendations regarding insurance and investment products and you are under no obligation to purchase either insurance or investment products through any person affiliated with our firm.

## **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.

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

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.

### **Methods of Analysis**

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

- Modern Portfolio Theory (MPT) is a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully diversifying the proportions of various assets. We will use this method of analysis as our core investment strategy and we will select asset allocation models based on your risk profile and investment objectives.
- 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.
- 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.
- Cyclical Analysis - a type of technical analysis that involves evaluating recurring price patterns and trends.

## **Associated Risks**

**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.

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

**Cyclical Analysis** - Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

## **Investment Strategies**

We may use one or more of the following investment strategies when formulating investment advice:

- **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.

We will not perform quantitative or qualitative analysis of individual securities. Instead, we will advise you on how to allocate your assets among various classes of securities or third party investment advisers. We primarily rely on investment model portfolios and strategies developed by the various third party investment advisers and their portfolio managers. We may recommend replacing any of these third party investment advisers if there is a significant deviation in characteristics or performance from the stated strategy and/or benchmark.

## **Tax Considerations**

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Our firm or the TPA managing your account will either instruct the custodian to use the first-in, first-out ("FIFO") accounting method for calculating and reporting the cost basis of your investments or the custodian will default to the FIFO method where no instruction is given.

You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your

individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### **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 and exchange traded funds ("ETFs"). However, we may advise on or recommend other types of investments as appropriate, based on your specific needs and risk tolerance. 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 security. Even within the same type of investment, risks can vary widely.

**Mutual Funds and Exchange Traded Funds:** Mutual funds and exchange traded funds ("ETF") 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 and ETFs 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. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs 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, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of the its Underlying Index or other benchmark, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their Underlying Indices or benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its Underlying Index, or its weighting of investment exposure to such securities may vary from that of the Underlying Index. Some ETFs may invest in securities or financial instruments that are not included in the Underlying Index, but which are expected to yield similar performance.

## **Item 9 Disciplinary Information**

Legacy Financial Group, LLC has been registered and providing investment advisory services since 2001. 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

All representatives of our firm that provide advice to you ("Advisory Representatives") are associated with SagePoint Financial, Inc. ("SagePoint") as Registered Representatives. SagePoint is a diversified financial services company registered with the Financial Industry Regulatory Authority ("FINRA") as a broker-dealer engaged in the offer and sale of securities products. Our Advisory Representatives may recommend the purchase of securities offered by SagePoint. If you purchase these products through them, they will receive normal commissions which may be in addition to customary advisory fees. As such, Advisory Representatives may have an incentive to sell you commissionable products in addition to providing you with advisory services when such commissionable products may not be suitable.

Alternatively, they may have an incentive to forego providing you with advisory services when appropriate, and instead recommend the purchase of commissionable investments, if they deem that the payout for recommending the purchase of these investments would be higher than providing management advice on these products for an advisory fee. While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we may have to sell certain securities products and are encouraged to ask us about any conflict of interest that may be presented. Please be aware that you are under no obligation to purchase products or services recommended by us or members of our Firm in connection with providing you with any advisory service that we offer.

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

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 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 certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated 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 persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

### 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

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. Please be aware that open-end mutual funds are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. As such, transactions in mutual funds by our Advisory Representatives are not likely to have an impact on the prices of the fund shares in which Clients invest.



## Item 12 Brokerage Practices

We recommend the brokerage and custodial services of SagePoint Financial, Inc., a securities broker-dealer and a member of FINRA/SIPC. We believe that SagePoint Financial, Inc. provides quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by SagePoint Financial, Inc., including the value of research provided, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of research services and additional brokerage products and services SagePoint Financial, Inc., provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere. We do not receive research and soft dollar benefits. We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Persons providing investment advice on behalf of our firm who are registered representatives of SagePoint Financial, Inc. will recommend SagePoint Financial, Inc. to you for brokerage services. These individuals are subject to applicable rules that restrict them from conducting securities transactions away from SagePoint Financial, Inc. unless SagePoint Financial, Inc. provides the representative with written authorization to do so. Therefore, these individuals are generally limited to conducting securities transactions through SagePoint Financial, Inc. It may be the case that SagePoint Financial, Inc. charges higher transactions costs and/or custodial fees than another broker charges for the same types of services. If transactions are executed through SagePoint Financial, Inc., these individuals (in their separate capacities as registered representatives of SagePoint Financial, Inc.) may earn commission-based compensation as a result of placing the recommended securities transactions through SagePoint Financial, Inc. This practice presents a conflict of interest because these registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. You may utilize the broker-dealer of your choice and have no obligation to purchase or sell securities through such broker as we recommend. However, if you do not use SagePoint Financial, Inc., 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

Since we primarily recommend mutual funds and variable products, we typically do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (the practice of combining multiple orders for shares of the same securities is commonly referred to as "block trading"). Accordingly, you may pay different prices for the same securities transactions than other clients pay. Furthermore, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than other clients.

## Item 13 Review of Accounts

For investment management services, securities are reviewed on a regular basis. Triggering factors include but are not limited to, the state of the markets, price momentum, relative strength, group relative strength, volume, accumulation, distributions, earnings and earning potential. In the case of mutual funds, the funds are reviewed to see if they are meeting expectations on a basis of risk versus reward. Additional reviews are available at your request. All reviews will be conducted by our Advisory Representatives.

For financial planning services, at a minimum, you will receive an annual review and consultation. Such review and consultation will contain some or all of the following; specific advice concerning any changes in your investments that we believe you should make and specific advice concerning the manner in which you can make the changes advised by either us or your third party adviser. All reviews will be conducted by our Advisory Representatives.

All investment management services clients will receive statements from their custodians on either a monthly or quarterly basis. These reports will show the current market values and transactions during the past month or quarter as well as interest, dividends and capital gains for the reporting period.

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

We do not directly or indirectly compensate non-employee (outside) consultants, individuals, and/or entities (Solicitors) for client referrals.

As discussed previously, all our Advisory Representatives are Registered Representatives of SagePoint. This arrangement requires us to offer you advisory services and programs sponsored or approved by SagePoint. SagePoint sets limits on how much we can charge you for these advisory services. Some advisory programs have higher fee limits than others. As such, there may be an incentive for us to recommend to you advisory services or programs with higher limits. In addition, SagePoint may charge us certain usage fees and expenses to use their advisory programs which may decrease the amount of money we make when offering investment advice to you. Therefore, there may be an incentive to provide you with advisory programs and services that may be cheaper for us to use but not as suitable to your needs as other advisory programs that SagePoint sponsors which may be more expensive for us to use.

While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

## **Item 15 Custody**

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**

We may manage your accounts on a discretionary basis upon obtaining your consent. Your consent is typically granted and evidenced in the client agreement that you sign with us. We define discretion as: the ability to trade your account, without obtaining your prior consent, the securities and amount of securities to be bought or sold, and the timing of the purchase or sale. It does not extend to the withdrawal or transfer of your account funds.

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). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.



## **Item 17 Voting Client Securities**

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**

Our firm does not have any financial conditions or impairments that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$1200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.

## **Item 19 Requirements for State-Registered 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 non-public personal information about you to any non-affiliated 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 non-public 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 non-public 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 our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

If you decide to close your account(s) we will adhere to our privacy policies, which may be amended from time to time.

If we make any substantive changes in our privacy policy that would further permit or require disclosures of your private information, we will provide written notice to you. Where the change is based on permitted disclosures, you will be given an opportunity to direct us as to whether such disclosure is acceptable. Where the change is based on required disclosures, you will only receive written notice of the change. You may not opt out of the required disclosures.

If you have questions about our privacy policies contact our main office at the telephone number on the cover page of this brochure and ask to speak to the Chief Compliance Officer.

### **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.

### **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

### **IRA Rollover Considerations**

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
  - a. Employer retirement plans generally have a more limited investment menu than IRAs.
  - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.

2. Your current plan may have lower fees than our fees.
  - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
  - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
  - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.