



**Client Relationship Summary  
Form CRS/Form ADV Part 3  
September 7, 2024**

**Item 1. Introduction:**

Financial Legacy Management, Inc. is registered with the Securities and Exchange Commission (SEC) as an investment adviser. Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Financial Legacy Management, Inc. is an independent, fee-only firm. We do not receive any compensation from any product we recommend or firm we may refer you to for outside services such as a CPA, Estate Planning Attorney or insurance Agent. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment adviser, and investing.

**Item 2. Relationships and Services**

**What investment services and advice can you provide me?** We offer investment advisory services to retail investors, including financial planning and portfolio management to individuals, family foundations and trusts. Our advice is holistic, broadly covering each client's financial situation, and our investment recommendations most often involve stock, bonds, mutual funds, and exchange traded funds. As a part of our standard service we monitor and advise on clients' investment portfolios on an ongoing basis. In addition to investment advice, we offer advice and direction on Insurance, Taxes, Workplace Benefits including options, deferred compensation, retirement plan asset allocation, Estate Planning, Debt reduction, Education Funding and Long-Term Care.

**Monitoring:** We utilize various analytical frameworks to determine which investment strategies best serve our clients' needs. We regularly monitor portfolios and research holdings. These services are part of our ongoing relationship.

**Investment Authority:** Our clients typically grant us ongoing discretionary authority to manage their accounts, which means that we can buy and sell investments on behalf of our clients without seeking permission on a trade by trade basis. We do incorporate client wishes within reason regarding cash holdings and buying or selling specific securities.

**Limited Investment Offering:** We can buy or sell most anything that is publicly traded. We do not limit investment options.

**Account Minimums and Other Requirements:** We accept clients with a minimum of \$100,000 of investible assets. The assets of family members are aggregated for purposes of meeting this minimum.

More information about our services is available on Part 2 of our Form ADV.

**Conversation starter-**Should I choose an investment advisor, given my financial situation? Why or Why Not? How will you choose investments to recommend for me? What is your relevant experience and qualifications, including education and licenses.

### **Item 3. Fees, Costs, Conflicts, and Standard of Conduct**

- A. **What fees will I pay?** We charge clients a flat fee for the initial financial plan. Afterwards we charge an investment management fee that is based on the value of each client's assets under management. Fees are charged quarterly in arrears, based on account values at the end of each quarter. Our firm provides active retirement advice for 401ks. When the client leaves employment and the 401k can be rolled over, we recommend the client roll to Charles Schwab. If the client chooses not to roll the 401k asset to Charles Schwab, we will no longer provide guidance on those assets. Additional information about our firm's fees are included in Part 2 of Form ADV.
- B. In addition to our investment management fee, clients also pay fees to the custodian for mutual fund expenses. There are no transaction fees for the initial buy and when selling the fund. Clients will pay a \$0 ticket fee for stocks purchased to be held in their Charles Schwab account.
- C. You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

**Conversation Starter-** Help me understand how fees and costs might affect my investments. If I give you \$100,000 to invest, how much will go to fees and costs, and how much will be invested for me?

## **Conflicts and Standard of Conduct**

**What are your legal obligations to me when acting as my investment adviser?**

**How else does your firm make money and what conflicts of interest do you have?** When we act as your investment adviser, we have a fiduciary duty to act in your best interest and disclose all conflicts of interest. At the same time, the way we make money puts us on the same side of the table. When you do better, we do better. However, some feel there are inherent conflicts of interest in our business model. You should understand and ask us about these conflicts because they can affect the investment advice we provide to you. Here is an example to help you understand what this means. Some firms may advise clients to put off paying down debt because that would reduce the assets under management and therefore their fee; we do not share this approach. Paying down debt is an integral part of client success. Achieving a more successful outcome for the client is our entire goal. We measure our success against client outcomes, not revenues.

**Conversation Starter-** How might your conflicts of interest affect me, and how will you address them?

**How do your financial professionals make money?**

Financial Legacy Management, Inc. financial professionals receive a salary and may receive a discretionary bonus. Compensation is set with the intention of attracting and retaining highly qualified professionals. Compensation is based on a variety of factors, including the number, value and complexity of accounts under management, the performance of those accounts, and client satisfaction and retention.

## **Item 4. Disciplinary History**

**Do you or your financial professionals have legal or disciplinary history?**

Yes ☐ No ☒

**Conversation Starter-** As a financial professional, do you have any disciplinary history? For what type of conduct?

**Item 5. Additional Information**

Additional information about our services can be found at [www.financiallegacymanagement.com](http://www.financiallegacymanagement.com). If you have any questions about the contents of this brochure or would like to request a copy of this relationship summary, please contact John W Kelley, CFP® at 501-329-PLAN.

**Conversation Starter-** Who is my primary contact person? Is he or she a representative of an investment adviser or broker-dealer? Who can I talk to if I have concerns about how this person is treating me?