

Part 2A of Form ADV: Firm Brochure

Item 1 Cover Page



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This brochure provides information about the qualifications and business practices of Legacy Consulting Group. It is prepared pursuant to regulatory requirements. If you have any questions about the contents of this brochure, please contact us at the phone number or website listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Legacy Consulting Group is a registered investment adviser with the SEC under the Investment Advisers Act of 1940 (the "Advisers Act"). However, such registration does not imply a certain level of skill or training. Additional information about Legacy Consulting Group is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Dated: March 27, 2017

## Item 2 Material Changes

This brochure is a new document prepared in response to the 2010 amendments to SEC form ADV. It is materially different from previous Legacy Consulting Group filings and includes certain new information that our previous filings did not require.

In the future, Item 2 will be used to provide clients with a summary of material changes that are made to this brochure since the last annual update.

### **Summary of Material Changes:**

On March 27, 2017, we submitted our annual updating amendment filing for fiscal year 2016 and updated Item 4 of our Form ADV Part 2A Brochure to disclose discretionary assets under management of \$149,686,695, and non-discretionary assets under management of \$13,784,615.

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## Item 4 Advisory Business

### INTRODUCTION

Legacy CG, LLC, DBA Legacy Consulting Group, LLC ("LCG") is a Registered Investment Advisory firm registered with the U.S. Securities and Exchange Commission (SEC) since April 20, 2000. We are noticed filed in our home state of Texas which means we are authorized to do business in this state. We may conduct business in other states by claiming an exemption from registration. Our registration as an Investment Adviser does not imply any level of skill or training. The oral and written communications we provide you, including this Brochure, is information you can use to evaluate us and other advisers, which are factors in your decision to hire us or to continue to maintain a mutually beneficial relationship. This Brochure provides information about our qualifications and business practices.

### OWNERSHIP

Legacy Consulting Group, LLC, is a limited liability company with equal ownership between Steven G. Wachs, President, Chief Compliance Officer and Roger A. Shake, Vice President, Secretary and Treasurer.

### ADVISORY SERVICES OFFERED

LCG is an investment advisory firm providing:

Portfolio Management Services  
Financial Life Planning Services  
Third Party Manager Selection  
Special Project and Review & Consulting Services

Our service constitutes an ongoing process by which:

- a) Your investment objectives, constraints and preferences are identified and specified;
- b) Your strategies are developed and implemented through a combination of financial assets; c) Capital market conditions and your circumstances are monitored; and
- d) Portfolio adjustments are made as appropriate to reflect significant changes to any or all the above relevant variables.

### PORTFOLIO MANAGEMENT SERVICES:

We provide portfolio management services on either a discretionary or non-discretionary basis. Our portfolio management program is designed to provide you with the appropriate asset allocation, diversification and risk characteristics consistent with prudent portfolio management. Customized portfolio management services include portfolio design, quantitative and qualitative analysis, buy and sell recommendations, and portfolio reallocation. The portfolio may include, but is not be limited to, certain "load" mutual funds purchased at net asset value (NAV) without paying sales charges and "no-load" mutual funds. Selected stocks, ETF's, bonds, and other securities can also be bought and sold.

On a discretionary basis, we design, revise and reallocate a custom portfolio for you. The investments are determined based upon your investment objectives, risk tolerance, net worth, net income, age, investment time horizon, tax situation and other various suitability factors.

In certain situations we may utilize FolioDynamix's ("Folio") platform services. With our direction, Folio assists with the development and maintenance of our asset allocation models. Folio also provides access and due diligence on specific investment managers. Folio is responsible for trading, billing and other services. Certain managers on the platform are responsible for the buying and selling of individual securities which are held in the client's account(s). Folio and all outside advisors must be registered as investment advisers with either the Securities and Exchange Commission or with the appropriate state authority(ies).

On a non-discretionary basis, we provide periodic recommendations to you and if such recommendations are approved, we will ensure that the authorized recommendations are carried out.

Custody of your accounts for both securities and funds will be maintained at a qualified designated

custodian and clearing firm. Custody of client accounts for both securities and funds will be maintained at TD Ameritrade Institutional, a division of TD Ameritrade, Inc. Member FINRA/SIPC, or other Trust companies.

### **FINANCIAL LIFE PLANNING SERVICES:**

Designed to help you define what you want out of your life, and how your financial situation can be adjusted so that you can lead a happier, more prosperous, fulfilling life. Depending on your situation, the scope of the service can be limited or very broad. Areas that are typically covered include identification of life goals and objectives, an estimate of assets, liabilities and net worth, investment portfolio analysis, financial independence, retirement income needs, income tax situation review, disability and capital needs analysis, education funding needs and an estimate of estate value and settlement costs.

On a broader scale, the plan may include advanced planning strategies to help you maximize your financial, social and personal wealth. These planning features are designed to help minimize estate taxes, transfer assets to future generations, and provide for philanthropic and social causes of interest while retaining control and/or use of assets for your lifetime.

We gather the required information through in-depth personal interviews. Information gathered includes a current financial status, future goals and attitudes towards risk. Related documents supplied by you and a completed questionnaire are carefully reviewed and a written report is prepared. Implementation of the prepared plan or recommendations is solely at your discretion and will also determine how you want to implement the plan or recommendations.

### **Financial Life Checkups and Investment Management**

Designed to help clients establish an initial and ongoing understanding of their financial health and an increased awareness of current and anticipated life transitions that affect their financial lives. This may also include supplemental financial education materials. Possible clients best suited for this service could be single students, recent graduates, and some clients' parents.

### **Basic Financial Life Plan and Investment Management**

Designed for family members of clients who are going through or are anticipating significant life transitions, such as marriage, divorce, starting a new job, moving, etc. It includes basic Financial Life Plan based on these individuals' values and goals to help them to enjoy a great life. Possible clients best suited for this service could be family members of current clients who are in the accumulation stage of life and some clients' parents.

### **THIRD PARTY INVESTMENT ADVISER SELECTION SERVICES:**

We may recommend to you a TPA whose investment style is believed to be consistent with your financial needs, investment goals, tolerance for risk and stated investment objectives. Upon selection of a TPA, we will monitor the performance of the TPA to ensure their performance and investment style remains aligned with the investment goals and objectives. The TPA is granted discretionary authority by you to manage and invest your assets.

Clients who are referred to TPA's will receive full disclosure, including services rendered and fee schedules at the time of the referral by delivery of a copy of the relevant TPA's brochure or equivalent disclosure document.

The TPA may impose a minimum dollar amount of initial client assets for the investment advisory services as disclosed in the management agreement. These minimums may be waived at the TPA's discretion. You will be provided the appropriate TPA's disclosure statement, in addition to the TPA's ADV Part 2A Brochure and privacy policy, prior to placing the assets with the TPA.

**PLAN REVIEW AND MONITORING SERVICES:**

Implementing your financial life plan is essential to achieving your goals. Equally important is the need to take periodic measurements to determine your progress while maintaining the flexibility to respond to changes that occur in each situation. Depending on the complexity of your situation, we will meet with you on a monthly, quarterly, semi-annual, annual, or in some cases, a less frequent basis.

**SPECIAL PROJECTS:**

Occasionally, we get requests to assist with a special situation or project. We are glad to help when these situations arise and you can utilize our services.

**ASSETS UNDER MANAGEMENT:**

As of December 31, 2016, we manage discretionary assets under management of \$149,686,695 and non-discretionary assets under management of \$13,784,615.

**Item 5 Fees and Compensation****PORTFOLIO MANAGEMENT PROGRAM FEE SCHEDULE:**

In exchange for our portfolio management services described, you will pay an annualized fee according to the following schedule:

<u>Account Balances</u>	<u>Annual Charge</u>
Of the first \$1,000,000	1.00%
Of the next \$1,000,000	0.90%
Of the next \$5,000,000	0.75%
Of the residual	0.50%

All stated fees are intended as standards and may in some cases be subject to negotiation when, in our opinion such negotiation is in the best interest of all parties involved.

Portfolio Management fees listed above will be directly deducted from your account at the custodian quarterly in advance following the end of the quarter. For most clients, FolioDynamix or we will send the qualified custodian written notice of the amount of the fee to be deducted from your account(s).

The first payment will be based on the opening value of the account. The fee will be prorated for the remaining days in the quarter. Subsequent fees will be determined, based on the value of the account assets under management as of the close of business on the last business day of the prior quarter. Prorated fee adjustments will be made for any deposits or withdrawals over \$25,000.

At your request, we shall provide written notice/invoice documentation reasonably supporting the determination of the investment advisor fees. The Custodian will send to you either a paper or electronic monthly Account statement that shows the amount of our advisory fee. If statements are not received, contact us immediately.

You are advised that you may pay your proportionate share of the fund's management and administrative fees. The mutual funds available through this investment advisory program are also available directly from the Funds, and without the additional ongoing fees of this service.

**Additional Types of Fees or Expenses:**

Portfolio Management fees do not include cost of custodial services for individual retirement accounts or qualified retirement plans. In addition, FolioDynamix may charge a fee ranging from .20% to .40% for portfolio administrative services they provide. Transaction costs are not commissions. There are clearing costs charged by the designated clearing firm on the account. In addition, the custodian may charge a Non-Standard Asset (NSA) fee to purchase and provide custody for Non-Liquid Assets. We may elect at our option to bear the cost of transactions under certain circumstances. Additional fees may be incurred

while the funds are in a money market fund or other no-load fund. These fees are charged and collected by the mutual funds and are not refundable to Client.

#### **Termination**

You will receive a prorated refund of any pre-paid quarterly fee, based upon the number of days remaining in the quarter after the termination date. No fee adjustments will be made for Account appreciation or depreciation.

The Agreement may be terminated at any time, by either party immediately upon receipt of 30 days' prior written notification from one party to the other. In the case that we receive written notice of the termination of the Agreement, we to the best of our ability will fulfill any specific instructions in the written notice. If no specific instructions are given we shall honor our basic fiduciary responsibility to preserve capital.

#### **FINANCIAL LIFE PLANNING FEE SCHEDULE:**

Based upon our estimate of the total time required and the complexity of the situation, the fee for this service will be either \$4,800 or \$10,200. In limited situations these two amounts may be modified. Fifty percent of the fee is due upon execution of an Advisory agreement and the remaining balance is payable at plan presentation.

#### **Financial Life Checkups and Investment Management**

Based upon our estimate of total time required, the initial planning fee for this service is \$500, and a monthly retainer of \$25 starting month 2. Our standard Portfolio Management fee schedule noted above is charged on investment accounts.

#### **Basic Financial Life Plan and Investment Management**

Based upon our estimate of total time required, the initial planning fee for this service is \$2,000, and a quarterly retainer of \$500 starting year 2. Our standard Portfolio Management fee schedule noted above is charged on investments accounts.

#### **Termination;**

Either party may cancel the agreement at any time, for any reason, upon receipt of 30 days prior written notification. The financial life planning fee will be refunded for a prorated amount based on the amount of hours used and our current hourly billing rate.

#### **PLAN REVIEW AND MONITORING SERVICES FEE SCHEDULE AND SPECIAL PROJECTS:**

After completion of the initial financial life planning process, we will estimate the financial life planning requirements and mutually agree upon a quarterly fee. Regarding special projects, after determination and definition of the project parameters, we will provide an estimated cost for the project. The project fee range is between \$250 to \$500 per hour.

#### **Other Compensation Received:**

Some of our Advisory Agents are registered representatives of Perryman Securities, Inc. (Member FINRA/SIPC). In this capacity, our advisory agents may sell securities through Perryman Securities, Inc. and receive normal and customary commissions as a result of such purchases and sales. This presents a conflict of interest to the extent that the advisory agent recommends that you invest in a security which results in a commission being paid to the advisory agent.

Advisory agents of the Firm are also licensed insurance agents for various other insurance companies. If you elect to implement the plan or buy insurance through us or our Advisory agents, then the agents would receive a commission from insurance sales, which includes life, accident, disability and fixed annuities. This presents a conflict of interest because they will receive a commission for these services, which is separate from the portfolio management, financial planning and other services provided. We have no single agreement with any agency or company, but will seek out the products of any company, agency or brokerage that may have products fitting our client's needs.

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

We do not charge performance based fees nor do we provide side by side management services.

## Item 7 Types of Clients

### Client Base:

Our customer base consists of individuals, trusts, estates, charitable organizations, and other business entities. These are the types of clients that we service, but we may not have all these types as current clients.

### Conditions for Account Management:

We may recommend TPA's and/or TPA Platforms. The minimum investment required by TPA's and/or TPA Platforms depends on the investment solution chosen for your account. This minimum could range from \$50,000 for Mutual Fund accounts to \$500,000 for Privately Managed accounts. Accounts below the stated minimums may be accepted on an individual basis and at the discretion of our firm and the Platform sponsor.

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

### Methods of Analysis & Investment Strategies:

Customized portfolio management services include portfolio design, quantitative and qualitative analysis, buy and sell recommendations, and portfolio reallocation.

We may utilize a 3 Dimensional Asset Allocation approach. This approach incorporates diversification at three different levels. The first level involves the diversification of an investment portfolio among different types of asset classes - large and small company equities, growth and value equities, international equities, and bonds. The second level of diversification may incorporate the use of mutual funds, separate account managers, ETFs and multiple fixed income instruments to reduce the risk associated with owning a limited number of securities. The third level of diversification may use alternative investments. These investments are used to provide non-correlation as they don't go up and down at the same time and for the same reasons that stocks and bonds do. These investments include income-producing real estate, commodities (i.e. oil and gas and gold), liquid alternative funds, hedge funds, private notes and products with "guaranteed income" provisions. We work with you to devise an investment strategy to meet your financial objectives. This includes:

- discussion regarding your objectives
- review of existing holdings
- ongoing analysis of funds
- advice on best direction for new investments
- updates of specific changes within the market or to particular funds
- regular monitoring of recommended investments and reviews

The flexibility of our strategies gives us the ability to best manage investment risks in any investment market. Our investment strategy utilizes no load mutual funds and individual stocks, bonds, ETF's etc. to diversify across asset classes or uncommon strategies utilizing private equity, hedge funds, real estate, structured notes and other alternative categories. Portfolios may be rebalanced on a periodic basis.

### Risk of Loss:

The advice offered by our Firm to you is determined by the areas of expertise of the agent providing the



service and your stated objective. You are advised to notify us promptly if there are ever any changes in your financial situation or investment objective or if you wish to impose any reasonable restrictions upon our management services. If you wish to impose any reasonable restrictions upon our management services, you will need to advise us in writing of any restrictions.

We do not represent, warrant, or imply that the services or methods of analysis employed by us can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. All securities trading, whether in stocks, options, or other investment vehicles, is speculative in nature and involves substantial risk of loss that you should be prepared to bear. Past performance is not necessarily indicative of future results. You should make every effort to understand the risks involved.

**The Principles Risks of Investing include, but are not limited to:**

**General Risks:** Your investments with us are not a deposit of a bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Accordingly, you may lose money by investing with us. When you sell your investments, they may be worth less than what you paid for them because the value of investments will fluctuate reflecting day-to-day changes in market conditions, interest rates and a number of other factors.

**Allocation Risk:** Our allocation of investments among different asset classes, such as equity or fixed-income assets classes, may have a more significant effect on your returns when one of these classes is performing more poorly than others.

**Market Risk:** Stock and bond markets often trade in random price patterns, and prices can fall over sustained periods of time. The value of the investments we make for you will fluctuate as the financial markets fluctuate. This could result in your account value(s) declining over short or long term periods of time.

**Focused and Concentrated Portfolio Risks:** We may invest in non-diversified funds that take a focused or concentrated approach. Accordingly, the money that is managed in this manner may have more volatility and is often considered to have more risk than a strategy that invests in a greater number of securities because changes in the value of a single security may have a more significant effect, either negative or positive, on the portfolio value. Your assets are subject to greater risk of loss if any of those securities become permanently impaired.

**Equity Risk:** Your investments will be subjected to the risk that stock prices may fall over short or extended periods of time. Historically, the equity markets have moved in cycles, and the value of equity securities in your portfolio may fluctuate drastically from day to day. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies may suffer a decline in response. These factors will contribute to the volatility and risk of your assets.

**Special Situation Risk:** We may invest your assets in special situations. Investments in special situations may involve greater risks when compared to other strategies due to a variety of factors.

Expected changes may not occur, or transactions may take longer than originally anticipated, resulting in lower returns than contemplated at the time of investment. Additionally, failure to anticipate changes in the circumstances affecting these types of investments may result in permanent loss of capital, where we may be unable to recoup some or all of its investment.

**Foreign Securities Risk:** Foreign investments involve greater risk in comparison to domestic investments because foreign companies/securities: may have different auditing, accounting, and financial reporting standards; may not be subject to the same degree of regulation as U.S. companies, and may have less publicly available information than U.S. companies; and are often denominated in a currency other than the U.S. dollar.

**Currency Risk:** Your investments may be subject to currency risk. Currency fluctuations and changes in the exchange rates between foreign currencies and the U.S. dollar could negatively affect the value of your

investments in foreign securities.

**Interest Rate Risk:** Your investments are subject to interest rate risk. Interest rate risk is the risk that the value of a security will decline because of a change in general interest rates. Investments subject to interest rate risk will usually decrease in value when interest rates rise. For example, fixed-income securities with long maturities typically experience a more pronounced change in value when interest rates change.

**Credit Risk:** Your investments are subject to credit risk. An investments credit quality depends on its ability to pay interest on and repay its debt and other obligations.

**Small- to Medium-Capitalization Risk:** We may invest your assets in small to medium sized companies. Shares of small to medium sized companies may have more volatile share prices. Furthermore, the securities of small to medium companies often have less market liquidity and their share prices can react with more volatility to changes in the general marketplace.

**Junk Bond/High-Yield Security Risk:** We may invest your assets in Junk Bonds or High-Yield, lower rated securities. Investments in fixed-income securities that are rated below Investment grade can be subject to greater risk of loss of principal and interest than investments in higher-rated fixed-income securities. The market for high yield securities may be less liquid than the market for higher-rated securities. High yield securities are also generally considered to be subject to greater market risk than higher-rated securities. The capacity of issuers of high yield securities to pay interest and repay principal is more likely to weaken than is that of issuers of higher-rated securities in times of deteriorating economic conditions or rising interest rates.

**Prepayment Risk:** Your investments may be subject to prepayment risk. Prepayment risk occurs when the issuer of a security can repay principal prior to the security's maturity. Securities subject to prepayment can offer less potential for gains during a declining interest rate environment and similar or greater potential for loss in a rising interest rate environment. In addition, the potential impact of prepayment features on the price of a security can be difficult to predict and result in greater volatility.

**Inflation Risk:** This is the risk that the value of your assets or income you're your investments will be less in the future as inflation decreases the value of your money. As inflation increases, the value (purchasing power) of your assets can decline. This risk increases as we invest a greater portion of your assets in fixed-income securities with longer maturities.

**Liquidity Risk:** Liquidity risk exists when particular investments are difficult to purchase or sell, possibly preventing us from selling out of these illiquid securities at an advantageous price.

## Item 9 Disciplinary Information

We do not have any material facts about legal or disciplinary events that are material to your evaluation of the integrity of our firm or its advisory agents to disclose. Your confidence and trust placed in our Firm and its advisory agents is something we value and endeavor to protect.

## Item 10 Other Financial Industry Activities and Affiliations

### Relationship with Perryman Securities, Inc.

Our advisory agents are registered representatives of Perryman Securities, Inc., (Member FINRA/SIPC). In this capacity, our advisory agents may when they deem suitable, recommend and sell securities through Perryman Securities, Inc. and receive normal and customary commissions as a result of such purchases and sales. This presents a conflict of interest to the extent that the advisory agent recommends that you invest in a security which results in a commission being paid to the advisory agent. Normally less than five hours a month is spent on these activities.

**Third Party Advisor Relationships:**

We have third party advisory relationships with various unaffiliated registered investment advisors ("RIA's"). We may develop other third party advisory arrangements with other unaffiliated RIA's at our discretion.

You will receive a Solicitor's Disclosure Statement, pursuant to SEC Rule 206(4)-3. The Solicitor's Disclosure Statement provides, among other things, disclosure regarding the affiliation, if any, between our Firm and the third-party adviser: the terms of the solicitation agreement between our Firm and the third-party adviser, including the amount of compensation to be paid to our Firm for the solicitation; and the additional cost to you if any, as a result of the solicitation agreement.

**Other Financial Industry Relationships:**

Advisory agents of our Firm are also licensed insurance agents for various other unaffiliated insurance companies. If you elect to implement the plan or buy insurance through us or our Advisory agents, then the agents would receive a commission from the insurance sales, which includes life, accident, disability and fixed annuities. This presents a conflict of interest because they will receive a commission for these services, which is separate from the portfolio management, financial planning and other services provided. We have no single agreement with any agency or company, but will seek out the products of any company, agency or brokerage that may have products fitting our client's needs.

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

We have adopted a Code of Ethics Policy to prohibit conflicts of interest from personal trading by our advisory personnel and have established standards of conduct expected of our advisory personnel. We have set forth in the Code of Ethics Policy statements of general principles, required course of conduct, reporting obligations, and review and enforcement of the Code of Ethics Policy. We will provide a copy of the Code of Ethics Policy to our clients or prospective clients upon written request.

**Participation or Interest in Client Transactions / Personal Trading:**

Our advisory agents are also registered securities representatives of Perryman Securities, Inc. (Member FINRA/SIPC), a non-affiliated registered broker-dealer. The advisory agents will receive compensation from Perryman Securities, Inc. in connection with security transactions effected for the accounts the advisory agents direct through the broker dealer. In addition, these advisory agents who are registered representatives of Perryman Securities, Inc. may receive ongoing trail commissions on selected securities. Therefore, there may be a financial incentive to use Perryman Securities, Inc. to effect certain security transactions for client accounts.

Our advisory agents may buy or sell for themselves securities that we also recommend to you. These investment products will be bought and sold on the same basis as you buy them.. In all instances, the positions would be so small as to have no impact on the pricing or performance of the security. We will do everything possible to mitigate these conflicts. Records of all advisory associate's proprietary trading activities are reviewed and kept by us. We and our advisory agents will act in a fiduciary manner, understand the prohibitions against the use of any insider information and will always act in your best interest.

**Item 12 Brokerage Practices****Brokerage Selection:**

We generally select the brokers or dealers to handle securities transactions. We utilize TD Ameritrade, Inc. (Member FINRA/SIPC), as the broker-dealer for the execution of securities transactions. Custody of your accounts for both securities and funds are maintained at TD Ameritrade, Inc or other Trust Companies.

Factors which we consider when recommending TD Ameritrade, Inc. include their respective financial strength, reputation, execution, pricing, research and service. We understand and acknowledge that at all times we owe a fiduciary duty to you to obtain best execution for your transactions. We believe that our relationship with TD Ameritrade, Inc. helps us to execute securities transactions for you in such a manner that your total cost in each transaction is as favorable as possible under prevailing market conditions. However, accounts with TD Ameritrade, Inc., as a full service broker/dealer, they may not obtain best execution at all times. The commissions and/or transactional fees charged by TD Ameritrade, Inc. to you may be higher or lower than those charged by another broker-dealer.

It is our policy to select brokers on the basis of the best combination of cost and execution capability. Subject to its best execution obligations, we intend to use the broker-dealer to effect all or substantially all client securities transactions. We compare on a regular basis with other custodians including Schwab and Fidelity.

**Soft Dollar Practices:**

We may utilize brokers providing research and brokerage services to us even though lower commissions may be obtained from brokers not offering such services. We participate in the TD Ameritrade Institutional Services program. TD Ameritrade Institutional Services is a division of TD Ameritrade, Inc. ("TD Ameritrade"), member FINRA/SIPC. TD Ameritrade is an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers services to independent investment advisors which include custody of securities, trade execution, clearance, and settlement of transactions. We receive benefits from TD Ameritrade through its program participation

We may recommend TD Ameritrade to you for custody and brokerage services. There is no direct link between our participation in the program and the investment advice we give to you, although we receive economic benefits through our participation in the program. The benefits include:

- receipt of duplicate client confirmations;
- access to a trading desk serving advisor participants;
- access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts);
- the ability to have advisory fees deducted directly from client accounts;
- access to an electronic communications network for client order entry and account information;
- access to mutual funds with no transaction fees and to certain institutional money managers; and
- discount's on compliance, marketing, technology, and practice management products or services provided to us by third party vendors.

These benefits received by us or our advisory agents do not depend on the amount of brokerage transactions directed to TD Ameritrade.

Our advisory agents may receive economic benefits from Perryman Securities, Inc., various mutual fund and insurance companies, third party manager Platforms, and other financial entities. Our policy is to permit all advisory agents to accept such benefits to the extent that they are usual and customary within the industry and in compliance with the Securities and Exchange Commission, FINRA, or state rules, regulations or guidelines concerning the receipt of such benefits. Legacy Consulting Group, in accordance with FINRA regulations, generally must recognize compensations and report them to the Internal Revenue Service as revenues.

Advisory agents who are Registered Representatives of Perryman Securities, Inc. may receive trail commissions (i.e. 12b-1 fees) which are initially paid to Perryman Securities, Inc. and a portion passed to the advisory agent for a period of time. Loaded mutual funds may pay annual distribution charges, sometimes referred to as 12b-1 fees. The 12b-1 fees come from fund assets, therefore, indirectly from client assets. The receipt of such fees could represent an incentive for advisory agents to recommend funds with 12b (1) fees over funds that have no fees or lower fees. As a result, there is a potential conflict of interest.

As part of our fiduciary duty to you, we will endeavor at all times to put the interests of you first. You should be aware, however, that the receipt of economic benefits by us and our advisory agents in and of

itself creates a potential conflict of interest.

**Brokerage for Client Referrals:**

Neither our Firm nor our Advisory Agents receive client referrals from a broker dealer or other third party when recommending to you a broker-dealer for the execution of securities transactions.

Neither this Firm nor our advisory agents receive any products, research or services other than those disclosed.

**Trade Aggregation:**

We provide investment management services to various clients. We may, in our sole discretion, aggregate purchases or sales of any security, instrument or obligation effected for various client accounts with purchases or sales, as the case may be, of the same security, instrument or obligation effected on the same day for the accounts of one or more of our other clients. Although such concurrent aggregations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they will be effected only when we believe that to do so will be in the best interest of the affected accounts. When transactions are so aggregated, (a) the actual prices applicable to the aggregated transaction will be averaged, and each client account participating in the aggregated transaction will be deemed to have purchased or sold its share of the security, instrument or obligation involved at that average price and (b) all transaction costs incurred in effecting the aggregated transaction, except to the extent that certain broker-dealers that also furnish custody services may impose minimum transaction charges applicable to some of the participating accounts. When such concurrent aggregation occurs, the objective will be to allocate executions in a manner that is deemed equitable to the accounts involved.

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

Account reviews may be provided quarterly but no less than annually or by your request. Reviews may be warranted more frequently due to tax law changes, market changes, market conditions or changes in personal circumstances. Reviews initiated by you may be for personal objectives or for any reason you so desire. The reviews will be conducted for accuracy, completeness and suitability by Steven Wachs, Roger Shake, Jennifer Schmitt, or Michael Babcock and will be consistent with desires of you respecting frequency and changing circumstances or objectives.

Statements, confirmations and performance reports are furnished from various financial services institutions or firms with which you transact business. These firms may include, and are not limited to, brokerages, investment companies, insurance companies, trust companies, other registered investment advisors, banks and credit unions. We spot check statements and confirms on a monthly basis and receive copies via various websites.

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

**Client Referrals:**

We do not have any arrangements that we compensate another for client referrals to our firm.

**Other Compensation:**

No other compensation is received other than what is already disclosed.

### **Item 15 Custody**

Your funds and securities will be maintained with a "qualified custodian" as required under Rule 206(4)-2 under the Advisers Act, and we will not take physical possession of any client funds or securities. Custody of client accounts for both securities and funds will be maintained at TD Ameritrade, Inc., mutual funds, insurance companies, or other qualified custodians. Account statements are sent at least quarterly

from the custodian and you should carefully review those statements and compare to any reports that we may send to you.

### **Item 16 Investment Discretion**

Unless otherwise negotiated, you have granted our Firm discretion in the management of your portfolio and periodic re-balancing to the asset class target percentages as outlined in the Client's Advisory Agreement except with respect to payment of the Firm's Fees. In the exercise of authority, we are fully authorized and empowered to place orders to brokers, dealers, mutual funds, or other persons with respect to the purchase, sale, exchange, disposition or liquidation of any assets held in your portfolio

Additionally, you are advised that:

1. You may set parameters with respect to when an account should be rebalanced and set trading restrictions or limitations;
2. Advisory agents must obtain written client consent to establish any mutual fund, variable annuity, or brokerage account;
3. We require the use of our broker/dealer for sales in commissionable mutual funds or variable annuities;

Discretionary authorization will not extend to the withdrawal of client funds or securities, with the exception of payment of our advisory fee.

We have limited authority to sell or redeem securities holdings in sufficient amounts to pay advisory fees. You may reimburse the portfolio for Advisory Fees paid to us.

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

We do not vote your proxies and have instructed the Custodian to forward all proxy material directly to you. We shall forward to you, or to the Advisor(s) for an employee benefit plan covered by ERISA, unless the plan's trust agreement provides otherwise, any proxy materials we receive that pertain to the Assets in your Account. You can contact our office at 972-599-4750 for any questions about a solicitation.

### **Item 18 Financial Information**

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. We do not have any financial condition that is reasonably likely to impair the ability to meet contractual commitments to you.

### **Item 19 Requirements for State Registered Advisers**

Not applicable, we are an SEC registered investment adviser.