

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:	SEC File Number:	Date:
Hughes, Mark Dana	801-	01/20/2008

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1.	Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Hughes, Mark Dana</b>	IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
Item 1(D)	<p><b><u>SERVICES</u></b></p> <p>Mark Dana Hughes, CFP™ owner of Legacy Financial Advisors (hereinafter “LFA” or the “Firm”) is registered with the State of Arizona as an investment adviser. LFA offers investment advisory services to individuals, pensions and profit sharing plans, trusts, estates, charitable organizations, corporations or other organizations. This Schedule F narrative provides clients with information regarding LFA and the qualifications, business practices, and nature of advisory services that should be considered before becoming an advisory client of the Firm.</p> <p>Please contact Mark D. Hughes, Principal and Chief Compliance Officer, if you have any questions about this Schedule F narrative. Additional information about LFA is available on the Internet at “www.adviserinfo.sec.gov”. You can search this site by a unique identifying number, known as a CRD number. The CRD number for LFA is 114029.</p> <p>Individuals associated with LFA will provide its investment advisory services. These individuals are appropriately licensed, qualified, and authorized to provide advisory services on behalf of the Firm. Such individuals are known as Investment Adviser Representatives (IARs).</p> <p>LFA, provides the following services:</p> <p><b><u>PORTFOLIO MANAGEMENT:</u></b></p> <p>LFA provides Investment Supervisory Services, defined as giving continuous advice to a client or making investments for a client based on the individual needs of the client. Through personal discussions in which goals and objectives, based on a client’s particular circumstances are established, LFA develops a client’s personal investment policy, which includes a strategic asset allocation model, and creates and manages a portfolio based on that policy. LFA provides this service to individuals, bank or thrift institutions, pension and profit sharing plans, trusts, estates, charitable organizations, and corporations. LFA will manage advisory accounts on a discretionary and non-discretionary basis. Account supervision is guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, or growth and income).</p> <p>When appropriate to the needs of the client, LFA may recommend the use of trading (securities sold within 30 days), short sales, margin transactions or option writing. Because these investment strategies involve certain degrees of risk, they will only be recommended when consistent with the client’s stated tolerance for risk.</p>	

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Item 1(D) Continued	<p><b><u>FINANCIAL PLANNING:</u></b></p> <p>LFA also provides advice in the form of a Financial Plan. Clients purchasing this service will receive a written financial plan, providing the clients with a detailed plan designed to achieve their stated financial goals and objectives.</p> <p>In general, the financial plan will address the following areas of concern:</p> <ul style="list-style-type: none"><li>- <i>Personal</i>. Family records, budgeting, personal liability, estate information and financial goals.</li><li>- <i>Death &amp; Disability</i>: Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.</li><li>- <i>Retirement</i>: Analysis of current strategies and investment plans to help the client achieve his or her retirement goals, including strategies for managing long-term care risks.</li><li>- <i>Investments</i>: Analysis of investment alternatives and their effect on a client's portfolio.</li><li>- <i>Estate Planning</i>: Analysis of current estate plan and recommendations to help the clients realize their final estate goals.</li></ul> <p>LFA gathers required information through in-depth personal interviews. Information gathered includes a client's current financial status, future goals and attitudes towards risk. Related documents supplied by the client are carefully reviewed, including a questionnaire completed by the client, and a written report is prepared. Should a client choose to implement the recommendations contained in the plan, LFA suggests the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.</p> <p><b><u>CONSULTING:</u></b></p> <p>Clients can also receive investment advice on a more limited basis. This may include advice on only an isolated area(s) of concern such as estate planning, retirement planning, or any other specific topic. LFA also provides specific consultation and administrative services regarding investment and financial concerns of the client.</p> <p>Additionally, LFA provides advice on non-securities matters. Generally, this is in connection with the rendering of estate planning, insurance, and/or annuity advice. Financial plan recommendations are not limited to any specific product or service offered by a broker dealer or insurance company. All recommendations are of a generic nature.</p> <p><b><u>NEWSLETTER:</u></b></p> <p>LFA will provide a quarterly newsletter to its clients. The newsletter will include general information on various investment topics and general educational topics. The investment information provided under this service does not purport to meet the objectives or needs of</p>	

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Item 1(D) Continued	<p>each individual subscriber.</p> <p><b><u>FEE SCHEDULE:</u></b></p> <p><b>PORTFOLIO MANAGEMENT:</b></p> <p>The annual fee for investment supervisory services will be charged as a percentage of assets under management, according to the schedule below:</p> <p><u>Assets Under Management Annual Fee</u></p> <p>0-\$750,000 1.00%</p> <p>\$750,000 - \$3,000,000 .75%</p> <p>\$3,000,000 - \$10,000,000 .50%</p> <p>\$10,000,000 and over .25%</p> <p>A minimum of \$250,000 of assets under management or client income of \$100,000 or more, or the ability to invest \$1,000 per month is required for this service. LFA may lower its portfolio management fees during the first year for financial planning clients. Clients will be invoiced in advance at the beginning of each calendar quarter based upon the quarter end values (market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance), of the client's account during the previous quarter.</p> <p><b>FINANCIAL PLANNING:</b></p> <p>For financial planning services, LFA will charge a fixed fee, typically ranging from \$500 - \$15,000, depending on the nature and complexity of each client's circumstances. 50% of the estimated fee will be due upon signing the advisory agreement, with the balance due upon presentation of the plan to the client. Typically the financial plan will be presented to the client within six months of the contract date, provided that the client has promptly provided all information needed to prepare the financial plan.</p> <p><b>CONSULTING:</b></p> <p>Fees for consulting services will be billed at an hourly rate of \$100 - \$200 per hour, upon mutual agreement with the client, depending on the nature and complexity of the financial issues involved, and shall be due and payable as earned. An additional administrative fee of \$35 per hour for clerical costs may be charged at the discretion of LFA.</p> <p><b>GENERAL INFORMATION ON FEES:</b></p> <p>In certain circumstances, all fees and account minimums may be negotiable. The fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client (SEC Rule 205(a)(1)). A client agreement may be cancelled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any</p>	

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Item 1(D) Continued	<p>account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. All fees paid to LFA for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without the services of LFA. In that case, the client would not receive the services provided by LFA which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by LFA to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.</p> <p><b><u>SECURITIES ANALYSIS METHODS</u></b></p> <p>LFA may utilize Modern Portfolio Theory, also known as asset allocation theory, as a method of strategic portfolio management and analysis.</p>	
Item 4(A)(5)	<p><b><u>MAIN SOURCES OF INFORMATION</u></b></p> <p>LFA will utilize Internet online services to obtain additional information on companies and mutual funds that may be recommended to clients.</p>	
Item 4(B)(8)	<p><b><u>EDUCATION AND BUSINESS STANDARDS</u></b></p> <p>Should LFA hire portfolio managers and/or financial planners in the future, it will require that these individuals have a CFP, CFA, CPA, JD or ChFC designation and/or appropriate business experience.</p>	
Item 5	<p><b><u>EDUCATION AND BUSINESS BACKGROUND</u></b></p> <p>MARK DANA HUGHES Born: 1958</p>	
Item 6	<p><b><u>EDUCATION:</u></b> The Citadel, Charleston, SC, 1976 University of Arizona, Tucson, AZ, 1977-1978 Rhema Bible Training Center, Tulsa, OK, 1980, Diploma in Christian Ministry Eastern New Mexico University, Portales, NM, 1986, BA, Spanish</p> <p><b><u>BUSINESS BACKGROUND:</u></b> Legacy Financial Advisors, Inc., Owner 1/03 – present. Hughes, Mark Dana d/b/a Legacy Financial Advisors, Tucson, AZ, Investment Adviser, Sole Proprietor, 6/98 – 1/03</p>	

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Item 6 Continued	IDS Financial Services/American Express, Tucson, AZ, Financial Services, Senior Financial Advisor, 1/91-6/98	
Item 9(E)	<p><b><u>PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS:</u></b></p> <p>LFA or individuals associated with LFA may buy or sell securities identical to those recommended to customers for their personal accounts. Additionally, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client. As these situations represent a conflict of interest, LFA has established the following restrictions in order to ensure its fiduciary responsibilities:</p> <ol style="list-style-type: none"> <li>1) The Sole Proprietor and any associated persons, who offer investment advice, shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person of LFA shall prefer his or her own interest to that of the advisory client.</li> <li>2) LFA maintains a list of all securities holdings for itself, and anyone associated with this advisory practice with access to advisory recommendations. An appropriate individual of LFA reviews these holdings on a regular basis.</li> <li>3) All clients are fully informed that certain individuals may receive separate compensation when effecting insurance transactions during the financial planning implementation process.</li> <li>4) LFA emphasizes the unrestricted right of the client to decline to implement any advice rendered, except in situations where LFA is granted discretionary authority of the client's account.</li> <li>5) LFA emphasizes the unrestricted right of the client to select and choose any broker or dealer and/or insurance company (s) he wishes. LFA will aggregate trades for itself with client trades, providing that the following conditions are met: <ol style="list-style-type: none"> <li>a) LFA's policies for the aggregation of transactions shall be fully disclosed in this Form ADV and separately to LFA's existing clients (if any) and the broker-dealer(s) through which such transactions will be placed;</li> <li>b) LFA will not aggregate transactions unless it believes that aggregation is consistent with its duty to seek best execution (which includes the duty to seek best price) for its clients and is consistent with the terms of LFA's investment advisory agreement with each client for which trades are being aggregated;</li> <li>c) No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all LFA transactions in a given security on a given business day, with transaction costs shared pro-rata based on each client's participation in the transaction;</li> <li>d) LFA will prepare, before entering an aggregated order, a written</li> </ol> </li> </ol>	

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Item 9(E) Continued	<p>statement ('Allocation Statement') specifying the participating client accounts and how it intends to allocate the order among those clients;</p> <p>e) If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the Allocation Statement; if the order is partially filled, it will be allocated pro-rata based on the Allocation Statement.</p> <p>f) Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment and the reason for different allocation is explained in writing and is approved by LFA's compliance officer no later than one hour after the opening of the markets on the trading day following the day the order was executed;</p> <p>g) LFA's books and records will separately reflect, for each client account, the orders which are aggregated, the securities held by, bought and sold for that account;</p> <p>h) Funds and securities of clients whose orders are aggregated will be deposited with one or more banks or broker-dealers, and neither the clients' cash nor their securities will be held collectively any longer than is necessary to settle the purchase or sale in question on a delivery versus payment basis; cash or securities held collectively for clients will be delivered out to the custodian bank or broker-dealer as soon as practicable following the settlement;</p> <p>i) LFA will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation; and</p> <p>j) Individual advice and treatment will be accorded to each advisory client.</p> <p><b><u>CONDITIONS FOR MANAGING AN ACCOUNT</u></b></p> <p>For Investment Supervisory Services clients, LFA requires a minimum account of \$250,000, or client income of \$100,000 or more, or the ability of the client to invest \$1,000 per month. LFA requires a minimum fee of \$500 for Full Service Financial Planning clients. Please refer to Item 1.D of this Schedule F narrative for complete details.</p> <p><b><u>INVESTMENT OR BROKERAGE DISCRETION</u></b></p> <p>The following disclosure is in response to Items 12.A (1) and 12.A (2):</p> <p>For discretionary clients, LFA requires that it be provided with written authority to determine which securities and the amounts of securities that are bought or sold. Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.</p>	
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Items 12(A)(1) & (2)		

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Item 12(B)	<p><b><u>INVESTMENT OR BROKERAGE DISCRETION</u></b></p> <p>LFA generally executes transactions through TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade"), member NASD/SIPC. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. In certain cases, LFA may also execute transactions through Ameritas, TIAA Cref Advisory Services and Fidelity Institutional Services. As LFA does not have the discretionary authority to determine the broker dealer to be used or the commission rates to be paid, clients must direct LFA as to the broker dealer to be used. In directing the use of a particular broker or dealer, it should be understood that LFA would not have authority to negotiate commissions or obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to other clients.</p> <p>A client is not under any obligation to effect trades through any recommended broker. All clients are free to select any broker dealer of his or her choice. LFA will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block. Block trading allows LFA to execute equity trades in a timelier, equitable manner and to reduce overall commission charges to clients.</p> <p><b><u>FINANCIAL PLANNING</u></b></p> <p>LFA's financial planning practice, due to the nature of its business and client needs, does not include blocking trades, negotiating commissions with broker dealers or obtaining volume discounts, nor necessarily obtaining the best price. Therefore, financial planning clients will be required to select their own broker dealers and insurance companies for the implementation of financial planning recommendations. LFA may recommend any one of several brokers. LFA clients must independently evaluate these brokers before opening an account. The factors considered by LFA when making this recommendation are the broker's ability to provide professional services, LFA's experience with the broker, the broker's reputation, and the broker's financial strength, among other factors. LFA's financial planning clients may use any broker or dealer of their choice. LFA receives no compensation for recommending any broker or dealer.</p>

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