

Disclosure Brochure

April 26, 2011

Wealth Legacy Institute, Inc.

a Registered Investment Adviser

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This brochure provides information about the qualifications and business practices of Wealth Legacy Institute, Inc. (hereinafter "WLI" or the "firm"). If you have any questions about the contents of this brochure, please contact Kimberly L. Curtis at (303) 753-7581. 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 Wealth Legacy Institute, Inc. is available on the SEC's website at www.adviserinfo.sec.gov.

Wealth Legacy Institute, Inc. is a state registered investment adviser. Registration does not imply any level of skill or training.

Item 2. Material Changes

This Item discusses only the material changes that have occurred since WLI's last annual update. WLI does not have any material changes to disclose in this Item.

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Supervised Person Brochure Supplement(s)

Item 4. Advisory Business

WLI offers financial planning, investment management and family wealth counseling through its Family Enterprise Division, and philanthropic services in an integrated, principle-centered, values-based approach. The Firm has been in business since August 2007. WLI is principally owned by Kimberly L. Curtis, who also serves as the firm's President and CEO. As of March 16, 2011, WLI had \$27,000,000 in assets under management, all of which were managed on a discretionary basis.

Prior to engaging WLI to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with WLI setting forth the terms and conditions under which WLI renders its services (collectively the "Agreement").

This Disclosure Brochure describes the business of WLI. Certain sections will also describe the activities of *Supervised Persons*. *Supervised Persons* are any of WLI's officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on WLI's behalf and is subject to WLI's supervision or control.

Financial Planning and Consulting Services

Financial Planning and Advice

WLI offers a range of comprehensive and integrated financial planning services. The range of services depends upon the specific needs of the firm's individual clients and may address any or all of the following areas:

- Financial position (net worth / cash flow);
- Risk management (life, disability, health, long-term care, property casualty insurances);
- Investment management / education funding (portfolio allocations and construction);
- Retirement planning (needs analysis, time horizon);
- Tax planning (managing gains and losses); and
- Estate planning (wills, power-of-attorney, living will)

Family Enterprise

WLI also provides services designed for the purpose of helping families succeed as a unified enterprise, taking into consideration intricate family dynamics, various life stages of individual family members, as well as individual goals within the family. Through both individual consultations and family meetings, the firm seeks to help families devise a disciplined and enriching family plan, focusing on collaboration, effective communication, leadership training, financial knowledge and conflict resolution.

Philanthropic Planning

WLI believes philanthropy can help families build, and in some cases rebuild, family unity and cooperation. The firm offers coaching services tailored to the creation of its clients' personal or family giving plan, leading philanthropic workshops, and partnering with local and national not-for-profit organizations to help design and implement planned giving strategies and donor motivation programs.

In performing the above-referenced services, WLI is not required to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. WLI may recommend the services of itself, and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if WLI recommends its own services. The client is under no obligation to act upon any of the recommendations made by WLI under a financial planning or consulting engagement or to engage the services of any such recommended professional, including WLI itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of WLI's recommendations. Clients are advised that it remains their responsibility to promptly notify WLI if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising WLI's previous recommendations and/or services.

Investment Management Services

WLI generally manages clients' investment portfolios on a discretionary basis.

WLI primarily allocates clients' investment management assets among *Independent Managers* (as defined below), mutual funds, exchange-traded funds ("ETFs"), index funds, alternative investments, hedge funds, real estate, and private equity vehicles in accordance with the investment objectives of the client. Certain of the firm's portfolio allocations exist in the form of private placement securities, which may include debt, equity and/or pooled investment vehicles. As such, these recommendations are limited to those clients deemed to be "accredited investors" as defined under Rule 501 of the Securities Act of 1933.

WLI also may render non-discretionary investment management services to clients relative to variable life/annuity products that they may own, their individual employer-sponsored retirement plans, and/or 529 plans or other products that may not be held by the client's primary custodian. In so doing, WLI either directs or recommends the allocation of client assets among the various investment options that are available with the product. Client assets are maintained at the specific insurance company or custodian designated by the product.

WLI tailors its advisory services to the individual needs of clients. WLI consults with clients initially and on an ongoing basis to determine risk tolerance, time horizon and other factors that may impact the clients' investment needs. WLI ensures that clients' investments are suitable for their investment needs, goals, objectives and risk tolerance.

Clients are advised to promptly notify WLI if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon WLI's management services. Clients may impose reasonable restrictions or mandates on the management of their account (e.g., require that a portion of their assets be invested in socially responsible funds) if, in WLI's sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its management efforts.

Use of Independent Managers

As mentioned above, WLI recommends that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain independent investment managers ("*Independent Managers*"), based upon the stated investment objectives of the client. The terms and conditions under which the client engages the *Independent Managers* are set forth in a separate written agreement between WLI or the client and the designated *Independent Managers*. WLI renders services to the client relative to the discretionary selection of *Independent Managers*. WLI also monitors and reviews the account performance and the client's investment objectives. WLI receives an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated *Independent Managers*.

When selecting an *Independent Manager* for a client, WLI reviews information about the *Independent Manager* such as its disclosure brochure and/or material supplied by the *Independent Manager* or independent third parties for a description of the *Independent Manager's* investment strategies, past performance and risk results to the extent available. Factors that WLI considers in recommending an *Independent Manager* include the client's stated investment objectives, management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated *Independent Managers*, together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets, may be exclusive of, and in addition to, WLI's investment advisory fee set forth above. As discussed above, the client may incur additional fees than those charged by WLI, the designated *Independent Managers*, and corresponding broker-dealer and custodian.

In addition to WLI's written disclosure brochure, the client also receives the written disclosure brochure of the designated *Independent Managers*. Certain *Independent Managers* may impose more restrictive account requirements and varying billing practices than WLI. In such instances, WLI may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Managers*.

Item 5. Fees and Compensation

WLI offers its services on a fee basis, which may include hourly and/or fixed fees, as well as fees based upon assets under management. Additionally, certain of WLI's *Supervised Persons*, in their individual capacities, may offer insurance products under a commission arrangement.

Financial Planning and Consulting Fees

WLI generally charges a negotiable fixed and/or hourly fee for its financial planning and consulting services. Prior to engaging WLI to provide financial planning and/or consulting services, the client is required to enter into a written agreement with WLI setting forth the terms and conditions of the engagement.

Fixed Fees

WLI's fixed fees typically range from \$1,250 to \$20,000. While fixed fees for the firm's consulting services vary, depending upon the level and scope of a particular engagement, the fees for WLI's financial planning services are generally based upon the following service levels:

Phase I & II. Discovery Profile (Initial Engagement)

- \$1,250 – Individuals / Couples
- \$2,400 – Business Owners / Dependent on Holdings & Financial Structures

Phase III & IV. Financial Planning

- \$2,950 – Basic Financial Plan
- \$4,950 (+) – Moderate Complexity
- \$9,950 (+) – Advanced Complexity

Phase V. Financial Planning Maintenance (After First Year)

- \$1,250 – \$2,500

New financial planning clients are billed in advance for the initial plan construction; whereas, existing financial planning clients are charged once annually for a plan assessment and renovation. All services are rendered well within six months of the receipt of any payments made by clients.

Hourly Fees

The firm's hourly consulting rates vary, depending upon the financial professional(s) engaged to provide the underlying services, as follows:

- Financial Planner: \$150 – \$450 per hour

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- Paraplanner: \$85 per hour
- Administrative Support: \$35 per hour

WLI usually requires half of the estimate hourly fee payable upon execution of the *Agreement*, but may elect to waive the upfront payment in certain circumstances. Any outstanding fees payable are due upon completion of the services. All services are rendered well within six months of the receipt of any payments made by clients.

Investment Management Fees

WLI provides investment management services for an annual fee based upon a percentage of the assets being managed by WLI. WLI's annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. WLI does not, however, receive any portion of these commissions, fees, and costs.

WLI's annual fee is prorated and charged quarterly, in arrears, based upon the market value of the assets being managed by WLI on the last day of the previous quarterly. The annual fee varies (between 0.50% and 1.50%) depending upon the market value of the assets under management, as follows:

<u>PORTFOLIO VALUE</u>	<u>BASE FEE</u>
First \$1,500,000	1.50%
Next \$1,500,000	1.25%
Next \$3,000,000	1.00%
Next \$5,000,000	0.80%
Above \$11,000,000	0.50%

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

Fees Charged by Financial Institutions

As further discussed in response to Item 12 (below), WLI generally recommends that clients utilize the brokerage and clearing services of Charles Schwab & Co., Inc. ("*Schwab*") for investment management accounts.

WLI may only implement its investment management recommendations after the client has arranged for and furnished WLI with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to, *Schwab*, any other broker-dealer

recommended by WLI, broker-dealer directed by the client, trust companies, banks etc. (collectively referred to herein as the “*Financial Institutions*”).

Clients may incur certain charges imposed by the *Financial Institutions* and other third parties such as custodial fees, charges imposed directly by a mutual fund or ETF in the account, which are disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, for assets outside of any wrap fee programs, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to WLI’s fee.

Fee Debit

WLI’s *Agreement* and the separate agreement with any *Financial Institutions* generally authorize WLI to debit the client’s account for the amount of WLI’s fee and to directly remit that management fee to WLI. Any *Financial Institutions* recommended by WLI have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to WLI. Alternatively, clients may elect to have WLI send an invoice for payment.

Fees for Management During Partial Periods of Service

For the initial period of investment management services, the fees are calculated on a *pro rata* basis.

The *Agreement* between WLI and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. WLI’s fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

Clients may make additions to and withdrawals from their account at any time, subject to WLI’s right to terminate an account. Additions may be in cash or securities provided that WLI reserves the right to liquidate any transferred securities or decline to accept particular securities into a client’s account. Clients may withdraw account assets on notice to WLI, subject to the usual and customary securities settlement procedures. However, WLI designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client’s investment objectives. WLI may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

If assets are deposited into or withdrawn from an account after the inception of a quarter, the fee payable with respect to such assets will not be adjusted or prorated based on the number of days remaining in the quarter.

Item 6. Performance-Based Fees and Side-by-Side Management

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

Item 7. Types of Clients

WLI provides its services to individuals, trusts, estates, charitable organizations, corporations and business entities.

Minimums Imposed By Independent Managers

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

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

Methods of Analysis

WLI employs a combination of approaches when assessing investment opportunities and portfolio allocations, which include both fundamental methods of analysis and Modern Portfolio Theory ("MPT").

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

MPT is a mathematical based investment discipline that seeks to quantify expected portfolio returns in relation to corresponding portfolio risk. The basic premise of MPT is that the risk of a particular holding is to be assessed by comparing its price variations against those of the market portfolio. However, MPT disregards certain investment considerations and is based on a series of assumptions that may not necessarily reflect actual market conditions. As such, the factors for which MPT does not account (e.g., tax implications, regulatory constraints and brokerage costs) may negate the upside or add to the actual risk of a particular allocation. Nonetheless, WLI's investment process is structured in such a way to integrate those assumptions and real life considerations for which MPT analytics do not account.

Investment Strategies

The firm utilizes a number of different investment strategies in managing its clients' investment portfolios, which include, without limitation: long-term purchases (securities held at least one year), short-term purchases (securities bought and sold within one year), trading (securities bought and sold within 30 days), margin transactions and options. WLI may utilize a series of different approaches in developing its specific allocation strategies, such as asset allocation, dollar cost averaging and reinvestment of dividends.

WLI provides advice on, and allocations clients' investment capital, among: mutual fund shares, corporate debt securities, ETFs, over-the-counter securities, certificates of deposit, U.S. government securities, municipal securities, foreign issues, warrants, commercial paper, securities and commodity options, real estate or timber partnerships and investments trusts, and oil and gas partnerships.

Risks of Loss

Mutual Funds and Exchange Traded Funds (ETFs)

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

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

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

Options

Options allow investors to buy or sell a security at a contracted "strike" price (not necessarily the current market price) at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

Market Risks

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

Use of Independent Managers

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

Use of Private Collective Investment Vehicles

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

Use of Margin To the extent that a client authorizes the use of margin, and margin is thereafter employed by WLI in the management of the client’s investment portfolio, the market value of the client’s account and corresponding fee payable by the client to WLI will not be increased.

While the use of margin borrowing can substantially improve returns, such use may also increase the adverse impact to which a client’s portfolio may be subject. Borrowings will usually be from securities brokers and dealers and will typically be secured by the client’s securities and/or other assets. Under certain circumstances, such a broker-dealer may demand an increase in the collateral that secures the client’s obligations and if the client were unable to provide additional collateral, the broker-dealer could liquidate assets held in the account to satisfy the client’s obligations to the broker-dealer. Liquidation in that manner could have extremely adverse consequences. In addition, the amount of the client’s borrowings and the interest rates on those borrowings, which will fluctuate, will have a significant effect on the client’s profitability.

General Risk of Loss

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

Item 9. Disciplinary Information

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

Item 10. Other Financial Industry Activities and Affiliations

WLI is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons.

Receipt of Insurance Commission

Certain of WLI's *Supervised Persons*, in their individual capacities, are also licensed insurance agents with various insurance companies, and in such capacity, may recommend, on a fully-disclosed commission basis, the purchase of certain insurance products. While WLI does not sell such insurance products to its investment advisory clients, WLI does permit its *Supervised Persons*, in their individual capacities as licensed insurance agents, to sell insurance products to its investment advisory clients. A conflict of interest exists to the extent that WLI recommends the purchase of insurance products where WLI's *Supervised Persons* receive insurance commissions or other additional compensation.

Item 11. Code of Ethics

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

WLI has adopted a code of ethics ("*Code of Ethics*") made up of its personal securities transaction and insider trading policies and procedures. When WLI is purchasing or considering for purchase any security on behalf of a client, no *Covered Person* (as defined below) may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when WLI is selling or considering the sale of any security on behalf of a client, no *Covered Person* may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security.

Unless specifically defined in WLI's procedures (summarized above), neither WLI nor any of WLI's Associated Persons may effect for himself or herself, for an Associated Person's immediate family (i.e., spouse, minor children, and adults living in the same household as the Associated Person), or for trusts for which the Associated Person serves as a trustee or in which the Associated Person has a beneficial interest (collectively "*Covered Persons*"), any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of WLI's clients.

The foregoing policies and procedures are not applicable to (a) transactions effected in any account over which neither WLI nor any of its *Supervised Persons* (as defined in this Form ADV) has any direct or indirect influence or control; and (b) transactions in securities that are: direct obligations of the government of the United States; bankers' acceptances, bank certificates of deposit, commercial paper, and high quality short-term debt instruments, including repurchase agreements; or shares issued by registered open-end investment companies.

This policy has been established recognizing that some securities being considered for purchase and sale on behalf of WLI's clients trade in sufficiently broad markets to permit transactions by clients to be completed without any appreciable impact on the markets of such securities. Under certain limited circumstances, exceptions may be made to the policies stated above. WLI will maintain records of these trades, including the reasons for any exceptions.

In accordance with Section 204A of the Advisers Act, WLI also maintains and enforces written policies reasonably designed to prevent the unlawful use of material non-public information by WLI or any of its *Supervised Persons*.

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

Item 12. Brokerage Practices

As discussed above, in Item 5, WLI generally recommends that clients utilize the brokerage and clearing services of *Schwab*.

Factors which WLI considers in recommending *Schwab* or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *Schwab* enables WLI to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by *Schwab* may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by WLI's clients comply with WLI's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where WLI determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a *Financial Institution's* services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. WLI seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

WLI periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

The client may direct WLI in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution*, and WLI will not seek better execution services or prices from other *Financial Institutions* or be able to "batch" client transactions for execution through other *Financial Institutions* with orders for other accounts managed by WLI (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, WLI may decline a client's request to direct brokerage if, in WLI's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Transactions for each client generally will be effected independently, unless WLI decides to purchase or sell the same securities for several clients at approximately the same time. WLI may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among WLI's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among WLI's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that WLI determines to aggregate client orders for the purchase or sale of securities, including securities in which WLI's *Supervised Persons* may invest, WLI generally does so in accordance with applicable rules

promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. WLI does not receive any additional compensation or remuneration as a result of the aggregation. In the event that WLI determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, WLI may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist WLI in its investment decision-making process. Such research generally will be used to service all of WLI's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because WLI does not have to produce or pay for the products or services.

Software and Support Provided by Financial Institutions

WLI may receive from *Schwab*, without cost to WLI, computer software and related systems support, which allow WLI to better monitor client accounts maintained at *Schwab*. WLI may receive the software and related support without cost because WLI renders investment management services to clients that maintain assets at *Schwab*. The software and related systems support may benefit WLI, but not its clients directly. In fulfilling its duties to its clients, WLI endeavors at all times to put the interests of its clients first. Clients should be aware, however, that WLI's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence WLI's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Additionally, WLI may receive the following benefits from *Schwab* through its Schwab Institutional division: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services the Schwab Institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client

accounts; and access to an electronic communication network for client order entry and account information.

Item 13. Review of Accounts

Account Reviews

For those clients to whom WLI provides investment management services, WLI monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom WLI provides financial planning and/or consulting services, reviews are conducted on an “as needed” basis. Such reviews are conducted by the Principal of WLI, Kimberly L. Curtis. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with WLI and to keep WLI informed of any changes thereto. WLI contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client’s financial situation and/or investment objectives.

Account Statements

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts.

Financial Planning and Consulting Reports

Those clients to whom WLI provides financial planning and/or consulting services will receive reports from WLI summarizing its analysis and conclusions as requested by the client or otherwise agreed to in writing by WLI.

Item 14. Client Referrals and Other Compensation

Economic Benefits

WLI is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. WLI may receive economic benefits from non-clients for providing advice or other advisory services to clients. This type of relationship poses a conflict of interest and any such relationship is disclosed in response to Item 12, above.

Client Referrals

In addition, WLI is required to disclose any direct or indirect compensation that it provides for client referrals. The firm does not compensate for client referrals.

Item 15. Custody

WLI's *Agreement* and/or the separate agreement with any *Financial Institution* may authorize WLI through such *Financial Institution* to debit the client's account for the amount of WLI's fee and to directly remit that management fee to WLI in accordance with applicable custody rules.

The *Financial Institutions* recommended by WLI have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to WLI. Clients should carefully review the statements sent directly by the *Financial Institutions*.

Item 16. Investment Discretion

WLI generally retains the authority to exercise discretion on behalf of clients. WLI is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. WLI is given this authority through a power-of-attorney included in the agreement between WLI and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). WLI takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold; and
- When transactions are made.

Item 17. Voting Client Securities

WLI is required to disclose if it accepts authority to vote client securities. WLI does not vote client securities on behalf of its clients. Clients receive proxies directly from the *Financial Institutions*.

Item 18. Financial Information

WLI does not require or solicit the prepayment of more than \$500 in fees six months or more in advance. In addition, WLI is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. WLI has no disclosures pursuant to this Item.

Item 19. Requirements for State Registered Investment Advisors

Principal Executive Officers and Management Persons

Below is the formal education and business background of each of WLI's principal executive officers and management persons:

KIMBERLY L. CURTIS

Born 1961

Post-Secondary Education:

American College – 2004, M.S.F.S.

University of Denver College of Law – 1985, M.S.J.A.

Elmira College – 1983, B.S., Court Administration

Recent Business Background:

Wealth Legacy Institute, Inc., President & CEO, 08/2007 – Present

American Express Financial Advisors, Senior Financial Advisor, 1992 – 08/2007

Wealth Legacy Institute, Inc.

a Registered Investment Adviser

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Prepared by:



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