

# Lega Z Advisory LLC

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Lega Z Advisory LLC. If you have any questions about the contents of this brochure, please contact us at (415) 601-8482 or by email at: [paolo@legazadvisory.com](mailto:paolo@legazadvisory.com). 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 Lega Z Advisory LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Lega Z Advisory LLC's CRD number is: 297417.*

1755 Filbert Street Suite 1F  
San Francisco, CA 94123  
(415) 601-8482  
[paolo@legazadvisory.com](mailto:paolo@legazadvisory.com)

*Registration does not imply a certain level of skill or training.*

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## **Item 2: Material Changes**

Lega Z Advisory LLC has not yet filed an annual updating amendment using the Form ADV Part 2A. Therefore there are no material changes to report.

## Item 3: Table of Contents

Item 1: Cover Page	
Item 2: Material Changes.....	ii
Item 3: Table of Contents.....	iii
Item 4: Advisory Business.....	5
A. Description of the Advisory Firm.....	5
B. Types of Advisory Services.....	5
C. Client Tailored Services and Client Imposed Restrictions .....	6
D. Wrap Fee Programs.....	6
E. Assets Under Management.....	6
Item 5: Fees and Compensation.....	6
Item 6: Performance-Based Fees and Side-By-Side Management .....	7
Item 7: Types of Clients .....	7
Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss .....	7
A. Methods of Analysis and Investment Strategies.....	7
Item 9: Disciplinary Information .....	9
A. Criminal or Civil Actions.....	9
B. Administrative Proceedings .....	9
C. Self-regulatory Organization (SRO) Proceedings .....	9
Item 10: Other Financial Industry Activities and Affiliations.....	10
A. Registration as a Broker/Dealer or Broker/Dealer Representative .....	10
B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.....	10
C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests.....	10
D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections .....	10
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	10
A. Code of Ethics.....	10
B. Recommendations Involving Material Financial Interests .....	11
C. Investing Personal Money in the Same Securities as Clients.....	11
D. Trading Securities At/ Around the Same Time as Clients' Securities .....	11
Item 12: Brokerage Practices.....	11
A. Factors Used to Select Custodians and/or Broker/Dealers .....	11
1. Research and Other Soft-Dollar Benefits .....	11
2. Brokerage for Client Referrals .....	12
3. Clients Directing Which Broker/Dealer/Custodian to Use .....	12
B. Aggregating (Block) Trading for Multiple Client Accounts .....	12

Item 13: Review of Accounts .....	12
Item 14: Client Referrals and Other Compensation .....	12
A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes) .....	12
B. Compensation to Non – Advisory Personnel for Client Referrals.....	12
Item 15: Custody.....	12
Item 16: Investment Discretion .....	13
Item 17: Voting Client Securities (Proxy Voting).....	13
Item 18: Financial Information.....	13
A. Balance Sheet .....	13
B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients .....	13
C. Bankruptcy Petitions in Previous Ten Years .....	13

## Item 4: Advisory Business

### A. Description of the Advisory Firm

Lega Z Advisory LLC (hereinafter “Lega Z”) is a Limited Liability Company organized in the State of Delaware. The firm was formed in May 2018, and the principal owner is Paul Max Seiferle.

### B. Types of Advisory Services

For a full engagement, Lega Z’s advisory services comprise of the following:

**Analysis:** Reviewing clients’ objectives and preferences and comparing them with the status quo, including risk & return, investment solutions, current custodians, counterparty analysis, leverage and fees.

**Strategic Plan:** Based on our assessment, Lega Z provides a proposal on how to align client’s objectives with a strategic plan, including the establishment of an Investment Policy Statement (IPS), aligning investments across banks to optimize strategic asset allocation, selecting asset management strategies and custodians, consolidating bank relationships (if warranted), negotiating bank and asset management fees, and optimizing the decision making.

**Implementation/Monitoring:** Implementing the Strategic Plan and ongoing monitoring, including interfacing with banks, custodians and asset managers for ongoing due diligence, monthly reporting (consolidated if needed), market comments, tactical advice, cost and quality control, screening of onshore and/or offshore regulatory landscape.

**Sounding Board/Referral resource:** Being a sounding board and/or referral resource for related items including offshore or onshore trust, cross border and tax, leveraging Lega Z’s network of professionals.

### *Selection of Other Advisers*

Lega Z may direct clients to third-party investment advisers. Before selecting other advisers for clients, Lega Z will verify that all recommended advisers are properly licensed, notice filed, or exempt in the states where Lega Z is recommending the adviser to clients.

### *Services Limited to Specific Types of Investments*

Lega Z generally limits its investment advice to separately managed accounts, mutual funds, fixed income securities, real estate funds, equities, ETFs (including ETFs in the gold

and precious metal sectors), treasury inflation protected/inflation linked bonds, commodities, non-U.S. securities, venture capital funds and private placements. Lega Z may use other securities as well to help diversify a portfolio when applicable.

### **C. Client Tailored Services and Client Imposed Restrictions**

Lega Z offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client's current situation (income, tax levels, and risk tolerance levels). Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent Lega Z from properly servicing the client account, or if the restrictions would require Lega Z to deviate from its standard suite of services, Lega Z reserves the right to end the relationship.

### **D. Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, and certain other administrative fees. Lega Z does not participate in wrap fee programs.

### **E. Assets Under Management**

Lega Z has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$0	\$324,437,260	July 2018

## **Item 5: Fees and Compensation**

For a full engagement as described in item 4, Lega Z charges a management fee based on the Assets under Management and/or Oversight (AUM). The fee ranges between 0.30% - 0.50% per annum depending on AUM and role scope. Minimum engagement fee is US \$20,000 per annum. For a reduced engagement, the fee schedule may be discounted.

Lega Z may direct clients to third-party investment advisers. Any fees or compensation from the advisers to which it directs those clients are negotiable and will not exceed any limit imposed by any regulatory agency. The notice of termination requirement and payment of fees for third-party investment advisers will depend on the specific third-party adviser selected. The timing, frequency, and method of paying fees for selection of third-party managers will depend on the specific third-party adviser selected and will be disclosed to the client prior to entering into a relationship with the third-party advisor.

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by Lega Z. Please see Item 12 of this brochure regarding broker-dealer/custodian.

Lega Z collects its fees in arrears. It does not collect fees in advance. Fees are paid via wire transfer or check.

Neither Lega Z nor its supervised persons accept any compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

Lega Z does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## **Item 7: Types of Clients**

Lega Z generally provides advisory services to High-Net-Worth Individuals.

There is no account minimum for any of Lega Z's services.

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

### **A. Methods of Analysis and Investment Strategies**

#### ***Methods of Analysis & Investment Strategies***

Long-term, multi-asset class, multi-currency, multi-manager investment strategies. Essentially, Lega Z will be a "manager-of-manager". The assets will be customized and managed by banks/asset managers on a discretionary basis. Lega Z will oversee the management of those assets, the performance and fees.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment

returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature.

**Hedge Funds** often engage in leveraging and other speculative investment practices that may increase the risk of investment loss; can be highly illiquid; are not required to provide periodic pricing or valuation information to investors; may involve complex tax structures and delays in distributing important tax information; are not subject to the same regulatory requirements as mutual funds; and often charge high fees. In addition, hedge funds may invest in risky securities and engage in risky strategies.

**Private Equity Funds:** In addition to the risks associated with hedge funds, there are risks specifically associated with investing in private equity. Capital calls can be made on short notice, and the failure to meet capital calls can result in significant adverse consequences, including but not limited to a total loss of investment.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Real estate** funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in



performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Private placements** carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

**Venture capital funds** invest in start-up companies at an early stage of development in the interest of generating a return through an eventual realization event; the risk is high as a result of the uncertainty involved at that stage of development.

**Commodities** are tangible assets used to manufacture and produce goods or services. Commodity prices are affected by different risk factors, such as disease, storage capacity, supply, demand, delivery constraints and weather. Because of those risk factors, even a well-diversified investment in commodities can be uncertain.

**Non-U.S.** securities present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

## **Item 10: Other Financial Industry Activities and Affiliations**

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither Lega Z nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither Lega Z nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Neither Lega Z nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

Lega Z may direct clients to third-party investment advisers. When doing so, Lega Z does not receive any compensation from third-party advisers. Lega Z does not have any conflict of interest or incentive to direct clients to the third-party investment advisers. Lega Z will always act in the best interests of the client, including when determining which third party investment adviser to recommend to clients. Lega Z will verify that all recommended advisers are properly licensed, notice filed, or exempt in the states where Lega Z is recommending the adviser to clients.

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

### **A. Code of Ethics**

Lega Z has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting

Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Lega Z's Code of Ethics is available free upon request to any client or prospective client.

## **B. Recommendations Involving Material Financial Interests**

Lega Z does not recommend that clients buy or sell any security in which a related person to Lega Z or Lega Z has a material financial interest.

## **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of Lega Z may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of Lega Z to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. Lega Z will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

## **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of Lega Z may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of Lega Z to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, Lega Z will never engage in trading that operates to the client's disadvantage if representatives of Lega Z buy or sell securities at or around the same time as clients.

# **Item 12: Brokerage Practices**

## **A. Factors Used to Select Custodians and/or Broker/Dealers**

Lega Z does not recommend brokers/custodians.

### ***1. Research and Other Soft-Dollar Benefits***

Lega Z does not trade client's accounts and therefore receives no research, product, or services from a broker-dealer ("soft dollar benefits").

## **2. Brokerage for Client Referrals**

Lega Z receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

## **3. Clients Directing Which Broker/Dealer/Custodian to Use**

Lega Z does not trade client's accounts.

### **B. Aggregating (Block) Trading for Multiple Client Accounts**

Lega Z does not trade clients' accounts and therefore does not have the ability to block trade purchases across accounts.

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

Lega Z will review client accounts monthly. Under normal market conditions, there are no "factors" that determine the review. The review is simply a month-end review. However, if there are some unusual market moves (e.g. MSCI World loses >5%), clients can expect that Lega Z will provide ad-hoc reviews. Also, clients can expect that Lega Z will provide a more comprehensive account review every calendar quarter.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

Lega Z does not receive compensation from third-party advisors to which it directs clients.

### **B. Compensation to Non – Advisory Personnel for Client Referrals**

Lega Z does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

## **Item 15: Custody**

Lega Z does not take custody of client accounts at any time. Custody of client's accounts is held primarily at the client's custodian. Clients will receive account statements from the custodian and should carefully review those statements for accuracy.

## **Item 16: Investment Discretion**

Lega Z does not have discretion over client accounts at any time.

## **Item 17: Voting Client Securities (Proxy Voting)**

Lega Z will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

Lega Z neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither Lega Z nor its management has any financial condition that is likely to reasonably impair Lega Z's ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

Lega Z has not been the subject of a bankruptcy petition in the last ten years.