

**LEGACY CAPITAL WEALTH PARTNERS, LLC**  
**FORM ADV PART 2A, APPENDIX 1**  
**(“WRAP FEE PROGRAM BROCHURE”)**

**Item 1 – Cover Page**

8315 Cantrell Road  
Suite 200  
Little Rock, AR 72227  
(501) 376-7878

This Form ADV2A – Appendix 1 (“Wrap Fee Program Brochure”) provides information about the qualifications and business practices of Legacy Capital Wealth Partners, LLC (“Legacy Capital” or the “Advisor”) services when offering services pursuant to a wrap program. This Wrap Fee Program Brochure shall always be accompanied by the Legacy Capital Disclosure Brochure, which provides complete details on the business practices of the Advisor. If you did not receive the complete Legacy Capital Disclosure Brochure or you have any questions about the content of this Wrap Fee Program Brochure or the Legacy Capital Disclosure Brochure, please contact the Advisor at (501) 376-7878 or by email at [bobr@legacycapitalwp.com](mailto:bobr@legacycapitalwp.com).

Legacy Capital is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). The information in this Wrap Fee Program Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Wrap Fee Program Brochure provides information about Legacy Capital to assist you in determining whether to retain the Advisor.

Additional information about Legacy Capital is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor’s firm name or CRD# 291960.

March 24, 2020

## **Item 2 – Material Changes**

Form ADV 2 - Appendix 1 provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. In particular, this Wrap Fee Program Brochure discusses Wrap Fee Programs offered by the Advisor.

### Material Changes

There have been no material changes made to this Wrap Fee Program Brochure since the last filing and distribution to Clients:

### Future Changes

From time to time, the Advisor may amend this Wrap Fee Program Brochure to reflect changes in business practices, changes in regulations or routine annual updates as required by the securities regulators. This complete Wrap Fee Program Brochure (along with the complete Legacy Capital Disclosure Brochure) or a Summary of Material Changes shall be provided to you annually and if a material change occurs in the business practices of Legacy Capital.

You may view this Wrap Fee Program Brochure and the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD# 291960. You may also request a copy of this Disclosure Brochure at any time, by contacting the Advisor by telephone at (501) 376-7878 or by email at [bobr@legacycapitalwp.com](mailto:bobr@legacycapitalwp.com).

### **Item 3 - Table of Contents**

Item 1 – Cover Page.....	1
2Item 2 – Material Changes.....	2
Item 3 – Table of Contents.....	3
Item 4 – Services, Fees, and Compensation .....	4
Item 5 – Account Requirements and Types of Clients .....	6
Item 6 – Portfolio Manager Selection and Evaluation.....	7
Item 7 – Client Information Provided to Portfolio Managers.....	12
Item 8 – Client Contact with Portfolio Managers.....	12
Item 9 – Additional information .....	12

## **Item 4 – Services, Fees, and Compensation**

The Legacy Capital Wealth Partners Wrap Program (the “Program”) is an investment advisory program sponsored by Legacy Capital Wealth Partners, LLC (“Legacy Capital” or the “Advisor”). This Wrap Fee Program Brochure describes the Program as it relates to Clients receiving services through the Program. In addition to the Program, the Advisor offers a variety of advisory services, which include holistic and personalized financial planning and discretionary and non-discretionary investment advisory services under different arrangements than those described herein. Information about these services is contained in the Advisor’s Disclosure Brochure, which appears as Part 2A of the Advisor’s Form ADV.

### **Description of the Program**

The Program is offered as a Wrap Fee Program, which provides Clients utilizing the portfolio management services of Legacy Capital with the ability to trade in certain investment products without incurring separate brokerage commissions or transaction charges. A Wrap Fee Program is considered as any arrangement under which Clients receive investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisors) and the execution of designated Client transactions for a specified fee or fees not based upon transactions in their accounts.

Prior to receiving services through the Program, Clients are required to enter into a written agreement with Legacy Capital setting forth the relevant terms and conditions of the advisory relationship (the “Agreement”). Clients must also open a new securities brokerage account and complete a new account agreement with Schwab Advisor Services, a division of Charles Schwab & Co., Inc. (“Schwab”), the (“Program Broker”).

Legacy Capital provides investment management services as the sponsor of the Program. Legacy Capital primarily allocates Client assets among various mutual funds, exchange-traded funds (“ETFs”), alternative investments, options, individual debt and equity securities, and independent investment managers of separately managed accounts (“External Managers”) in accordance with Clients’ stated investment objectives. Under the Program, the Client pays a single “bundled” investment advisory fee, that includes as part of the advisory fee, Legacy Capital’s investment advice, fees and expenses of external managers and investment platforms, and custodial costs, administrative fees, securities transaction fees for certain mutual funds, and client-directed trades (herein “Covered Costs”). The Advisor’s recommended Custodian does not charge securities transaction fees for ETF and equity trades in Client’s accounts, provided that the account meets the terms and conditions of the Custodian’s brokerage requirements. However, the Custodian typically charges for mutual funds and other types of investments.

**Fees**

The advisory fee is negotiable, and may vary based on multiple factors, including, but not limited to, the size and nature of the relationship, the services rendered, the nature and complexity of the products and investments involved, time commitments, and travel requirements. The advisory fee charged by the Advisor will apply for all of the Client's assets designated for inclusion in the Program. The advisory fee is based on a percentage of assets under management and generally ranges between 0.50% and 2.00% annually of the Client's net billable assets under management.

As noted above, the Covered Costs include Legacy Capital's advisory services, fees and expenses of external managers and investment platforms, and custodial costs, administrative fees, securities transaction fees for certain mutual funds, and client-directed trades. The Covered Costs do not include wire fees, the fees and expenses of the underlying mutual funds or ETFs, as described in greater detail in the "Additional Fees and Expenses" section below, or mark-ups and mark-downs embedded in fixed income transactions. The number of transactions made in Clients' accounts, the size of the accounts, and the securities used to construct a portfolio, as well as the commissions charged for each transaction, determines the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. Participants in the Program may pay a higher or lower aggregate fee than if investment management and brokerage services are purchased separately. Legacy Capital does not charge its Clients higher advisory fees based on their trading activity, but Clients should be aware that Legacy Capital may have an incentive to limit its trading activities in Client accounts because Legacy Capital is charged for executed trades.

*Cash Positions*

At any specific point in time, depending upon perceived or anticipated market conditions or events (there being no guarantee that such anticipated market conditions/events will occur), Legacy Capital may maintain cash positions for defensive or other purposes. All cash positions (money markets, etc.) shall be included as part of assets under management for purposes of calculating the advisory fee.

*Additional fees and expenses*

In addition to Legacy Capital's fee, Clients will be responsible for the fees and expenses of the underlying mutual funds, ETFs, transfer taxes, odd lot differentials, exchange fees, interest charges, ADR processing fees, and any charges, taxes or other fees mandated by any federal, state or other applicable law, retirement plan account fees (where applicable), electronic fund and wire fees. Clients should review the applicable prospectuses for additional information about fund fees and expenses.

Legacy Capital's fee generally does not cover mark-ups or mark-downs for fixed income transactions. Fixed income transactions usually are cleared net, without any commissions. However, the broker-dealers executing fixed income transactions typically assess mark-ups or other trading related costs that are embedded into the price of the security allocated to Client accounts. Legacy Capital's fee also does not cover transaction fees or "trade away" fees imposed for trades placed away from Schwab.

#### *Payment of Fees*

If based on a percentage of the value of assets under management, the initial advisory fee for the first calendar quarter (or part thereof) in which the Client enters into an advisory agreement with Legacy Capital shall be calculated on the day after initial assets are placed with Legacy Capital and shall be the advisory fee for the first calendar quarter (or part thereof). The initial advisory fee for any partial quarter is payable on a pro rata basis based on the number of calendar days in the partial quarter and is paid in the month following the establishment of the Client account. For subsequent quarters, the advisory fee generally is payable in advance (except for services to participant-directed 401k plans, which are payable either in advance or arrears, depending on the terms of the agreement), based on the market value of assets under management on the last business day of the prior calendar quarter. For subsequent quarters, the advisory fee generally is payable in advance (except for services to participant-directed 401k plans, which are payable either in advance or arrears depending on the terms of the agreement), based on the market value of assets under management on the last business day of the prior calendar quarter.

Legacy Capital generally deducts its advisory fee from a Client's investment account(s) held at the Custodian. Upon engaging Legacy Capital to manage such account[s], a Client grants Legacy Capital this limited authority through a written instruction to the Custodian of the Client account[s].

#### *Compensation for Recommending the Program*

Legacy Capital's Advisory Persons who recommend the Program to Clients do not receive additional compensation as a result of a Client's participation in the Program.

### **Item 5 – Account Requirements and Types of Clients**

Legacy Capital's Clients generally include individuals, high net worth individuals, families, family offices, trusts, estates, businesses, charitable foundations, nonprofit organizations, and retirement/profit-sharing plans.

Legacy Capital generally requires a minimum balance of assets under management per household of \$500,000; this requirement may be waived solely in the discretion of the Advisor. Additionally, certain External Managers may impose more restrictive account requirements and varying billing practices than Legacy Capital. In such instances, Legacy Capital may alter its corresponding account requirements and/or billing practices to accommodate those of the External Managers.

### **Item 6 – Portfolio Manager Selection and Evaluation**

Legacy Capital generally recommends that Clients authorize active discretionary management of all or a portion of their assets designated to the Program by certain External Managers in addition to the utilization, where appropriate, of passive investment vehicles. To the extent applicable, Legacy Capital recommends or selects External Managers consistent with the Client's investment objectives. Factors which Legacy Capital considers in recommending or selecting External Managers include the Client's stated investment objective(s), risk profile and financial condition and the External Manager's management style, performance, reputation, financial strength, and the results of Legacy Capital's research.

Legacy Capital does not independently validate the performance of External Managers and does not perform independent due diligence on the External Managers. Legacy Capital relies on the due diligence performed on the External Managers by their platform manager.

#### *Other Advisory Business Services*

Legacy Capital offers a variety of advisory services, which include financial planning, institutional consulting, and investment management services. Legacy Capital tailors its advisory services to meet the needs of its individual Clients and seeks to manage Client portfolios in a manner consistent with those needs and objectives. Legacy Capital consults with Clients on an initial and periodic basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to inform Legacy Capital of any changes to their investment objectives, risk tolerance or financial circumstances.

#### *Performance Based Fees and Side-By-Side Management*

Neither Legacy Capital nor any supervised person of Legacy accepts performance-based fees.

#### *Methods of Analysis, Investment Strategies*

Legacy Capital primarily employs fundamental analysis methods in developing investment strategies for its Clients. Research and analysis from Legacy Capital is based on numerous sources, including third-party research materials and publicly-available materials, such as company annual reports, prospectuses, and press releases.

Legacy Capital generally employs a long-term investment strategy for its Clients, if consistent with their financial goals. Legacy Capital will typically hold all or a portion of a securities position for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, the Advisor may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

### *Risk of Loss*

Investing in securities involves a risk of loss. A Client can lose all or a substantial portion of his/her investment. A Client should be willing to bear such a loss. Some investments are intended only for sophisticated investors and can involve a high degree of risk.

### **Material Risks Involved**

The mutual funds, ETFs and External Managers that the Advisor frequently invests Client assets with or recommends to Clients generally own securities and therefore also involve the risk of loss that is inherent in investing in securities. The extent of the risk of ownership of fund shares generally depends on the type and number of securities held by the fund. Mutual funds invested in fixed income securities are subject to the same interest rate, inflation, and credit risks associated with the fund's underlying bond holdings. Fixed income securities may decrease in value as a result of many factors, for example, increases in interest rates or adverse developments with respect to the creditworthiness of the issuer. Risks also may be significantly increased if a mutual fund pursues an alternative investment strategy. An investment in an alternative mutual fund involves special risks such as risk associated with short sales, leveraging the investment, potential adverse market forces, regulatory changes, and potential illiquidity. Investing in alternative strategies presents the opportunity for significant losses. Returns on mutual fund investments are reduced by management costs and expenses.

An ETF's risks include declining value of the securities held by the ETF, adverse developments in the specific industry or sector that the ETF tracks, capital loss in geographically focused funds because of unfavorable fluctuation in currency exchange rates, differences in generally accepted accounting principles, or economic or political instability, tracking error, which is the difference between the return of the ETF and the return of its benchmark and trading at a premium or discount, meaning the difference between the ETF's market price and NAV. ETFs also are subject to the individual risks described in their prospectus. Although many mutual funds and ETFs may provide diversification, risks can be significantly increased if a mutual fund or ETF is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage to a significant degree, or concentrates in a particular type of security. One of the main advantages of mutual funds and ETFs is that they give individual investors access to professionally managed, diversified portfolios of equities, bonds and other securities.



Although the goal of diversification is to combine investments with different characteristics so that the risks inherent in any one investment can be balanced by assets that move in different cycles or respond to different market factors, diversification does not eliminate the risk of loss. In some circumstances, price movements may be highly correlated across securities and funds. A specific fund may not be diversified and a Client portfolio may not be diversified. Additionally, when diversification is a Client objective, there is risk that the strategies that the Advisor uses may not be successful in achieving the desired level of diversification. There is also risk that the strategies, resources, and analytical methods that the Advisor uses to identify mutual funds and ETFs will not be successful in identifying investment opportunities.

The following risk also could cause mutual funds, ETFs, and other investments managed for Clients, as well as those managed by External Managers, to decrease in value:

- Market Risk: The price of an equity security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, changes in political, economic and social conditions may trigger adverse market events.
- ETF Risk: The performance of ETFs is subject to market risk, including the possible loss of principal. The price of the ETFs will fluctuate with the price of the underlying securities that make up the funds. In addition, ETFs have a trading risk based on the loss of cost efficiency if the ETFs are traded actively and a liquidity risk if the ETFs have a large bid-ask spread and low trading volume. The price of an ETF fluctuates based upon the market movements and may dissociate from the index being tracked by the ETF or the price of the underlying investments. An ETF purchased or sold at one point in the day may have a different price than the same ETF purchased or sold a short time later.
- Mutual Fund Risk: The performance of mutual funds is subject to market risk, including the possible loss of principal. The price of the mutual funds will fluctuate with the value of the underlying securities that make up the funds. The price of a mutual fund is typically set daily therefore a mutual fund purchased at one point in the day will typically have the same price as a mutual fund purchased later that same day.
- Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Event Risk: An adverse event affecting a particular company or that company's industry could depress the price of a Client's investments in that company's stocks or bonds. The company, government or other entity that issued bonds in a Client's portfolio could

become less able to, or fail to, repay, service or refinance its debts, or the issuer's credit rating could be downgraded by a rating agency. Adverse events affecting a particular country, including political and economic instability, could depress the value of investments in issuers headquartered or doing business in that country.

- Liquidity Risk: Securities that are normally liquid may become difficult or impossible to sell at an acceptable price during periods of economic instability or other emergency conditions. Some securities may be infrequently or thinly traded even under normal market conditions.
- Leverage Risk: The use of leverage may lead to increased volatility of a fund's NAV and market price relative to its common shares. Leverage is likely to magnify any losses in the fund's portfolio, which may lead to increased market price declines. Fluctuations in interest rates on borrowings or the dividend rates on preferred shares that take place from changes in short-term interest rates may reduce the return to common shareholders or result in fluctuations in the dividends paid on common shares. There is no assurance that a leveraging strategy will be successful.
- Domestic and/or Foreign Political Risk: The events that occur in the U.S. relating to politics, government, and elections can affect the U.S. markets. Political events occurring in the home country of a foreign company such as revolutions, nationalization, and currency collapse can have an impact on the security.
- Inflation Risk: Countries around the globe may be more, or less, prone to inflation than the U.S. economy at any given time. Companies operating in countries with higher inflation rates may find it more difficult to post profits reflecting its underlying health.
- Currency Risk: Overseas investments are subject to fluctuations in the value of the U.S. dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- Reinvestment Risk: This risk is that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- Operational Risk: Fund Advisors and other ETF service providers may experience disruptions or operating errors such as processing errors or human errors, inadequate or failed internal or external processes, or systems or technology failures, that could negatively impact the ETF.

- Regulatory/Legislative Developments Risk: Regulators and/or legislators may promulgate rules or pass legislation that places restrictions on, adds procedural hurdles to, affects the liquidity of, and/or alters the risks associated with certain investment transactions or the securities underlying such investment transactions. Such rules/legislation could affect the value associated with such investment transactions or underlying securities
- Illiquid Securities: Investments in hedge funds and other private investment funds may underperform publicly offered and traded securities because such investments:
  - typically require investors to lock-up their assets for a period and may be unable to meet redemption requests during adverse economic conditions;
  - Have limited or no liquidity because of restrictions on the transfer of, and the absence of a market for, interests in these funds;
  - Are more difficult to monitor and value due to a lack of transparency and publicly available information about these funds;
  - May have higher expense ratios and involve more inherent conflicts of interest than publicly traded investments; and
  - Involve different risks than investing in registered funds and other publicly offered and traded securities. These risks may include those associated with more concentrated, less diversified investment portfolios, investment leverage and investments in less liquid and non-traditional asset classes.

Past performance of a security or a fund is not necessarily indicative of future performance or risk of loss.

### **Use of Independent Managers**

As stated above, Legacy Capital may select certain External Managers to manage a portion of its Clients' assets. In these situations, Legacy Capital conducts due diligence of such managers, but the success of such recommendations relies to a great extent on the External Managers' ability to successfully implement their investment strategies. In addition, Legacy Capital generally may not have the ability to supervise the External Managers on a day-to-day basis.

**Voting Client Securities**

Legacy Capital does not accept the authority to and does not vote proxies on behalf of Clients. Clients retain the responsibility for receiving and voting proxies for all and any securities maintained in Client portfolios. Clients may direct proxies to Legacy Capital, however Legacy Capital will take no action on voting proxies.

**Performance-Based Fees and Side-by-Side Management**

Legacy Capital does not charge performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of a capital gains or capital appreciation of a Client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Legacy Capital's fees are calculated as described in Item 4 above.

**Item 7 – Client Information Provided to Portfolio Managers**

Legacy Capital strives to provide investment advisory services specific to needs of each Client. Prior to providing investment advisory services, an investment advisor representative will discuss with each Client, their investment objective(s). Legacy Capital then allocates each Client's investment assets consistent with their designated investment objective(s). Clients may, at any time, impose reasonable restrictions, in writing, on Legacy Capital's services.

It remains the responsibility of each Client to advise Legacy Capital if there is ever any change in their financial situation or investment objectives.

Clients participating in the Program generally grant Legacy Capital the authority to discuss certain non-public information with the External Managers engaged to manage their accounts. Depending on the specific arrangement, the Advisor may be authorized to disclose various personal information including, but not limited to: names, phone numbers, addresses, social security numbers, tax identification numbers, and account numbers. Legacy Capital may share also certain information related to its Clients' financial positions and investment objectives in an effort to ensure that the External Managers' investment decisions remain aligned with the Advisor's Clients' best interests. This information is communicated as necessary for the management of its Clients' portfolios.

**Item 8 - Client Contact with Portfolio Managers**

Clients have reasonable access to the Program's portfolio managers.

**Item 9 – Additional information****A. Disciplinary Information**

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to a Client's evaluation of Legacy Capital and the integrity of Legacy Capital's management. Legacy Capital has no information applicable to this Item.

## **B. Other Financial Industry Activities and Affiliations**

### **Registrations with Broker-Dealer**

Certain Advisory Persons providing investment advice on behalf of Legacy Capital are registered representatives with PKS, a securities broker-dealer, and a member of FINRA and SIPC. In such instances, the Advisory Person will receive commission-based compensation in connection with the purchase and sale of securities, as well as a share of any ongoing distribution or service (trail) fees, including 12b-1 fees for the sale of investment company products. Compensation earned by the Advisory Person in his or her capacity as a registered representative is separate from and in addition to Legacy Capital's advisory fee. The receipt of such compensation by an Advisory Person presents a conflict of interest as an Advisory Person who is a registered representative may have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on Client needs. To mitigate these conflicts, Clients are under no obligation to purchase securities products through PKS or Advisory Persons who are registered representatives or otherwise engage such persons and may choose brokers or agents not affiliated with Legacy Capital or PKS.

### **Recommendation of External Managers**

Legacy Capital may recommend that Clients use External Managers based on the Client's needs and suitability. Legacy Capital does not receive separate compensation, directly or indirectly, from such external managers for recommending that Clients use their services. Legacy Capital does not have any other business relationships with the recommended External Managers.

### **Licensed Insurance Agents**

Certain Advisory Persons are licensed insurance agents with Legacy Capital Group Arkansas, LLC, an affiliate of Legacy Capital, and may offer certain insurance products on a fully-disclosed commissionable basis. A conflict of interest exists to the extent that Legacy Capital recommends the purchase of insurance products where its Advisory Persons may be entitled to insurance commissions or other additional compensation. Clients are under no obligation to purchase insurance products through any person affiliated with Legacy Capital. The Advisor has procedures in place whereby it seeks to ensure that all recommendations are made in its Clients' best interest regardless of any such affiliations.

### **C. Code of Ethics, Participation or Interest in Client Transactions**

#### **Description of Code of Ethics**

Legacy Capital has a Code of Ethics (the “Code”) which requires Legacy Capital’s employees (“supervised persons”) to comply with their legal obligations and fulfill the fiduciary duties owed to the Advisor’s Clients. Among other things, the Code of Ethics sets forth policies and procedures related to conflicts of interest, outside business activities, gifts and entertainment, compliance with insider trading laws and policies and procedures governing personal securities trading by supervised persons.

Personal securities transactions of supervised persons present conflicts of interest with the price obtained in Client securities transactions or the investment opportunity available to Clients. The Code addresses these conflicts by prohibiting securities trades that would breach a fiduciary duty to a Client and requiring, with certain exceptions, supervised persons to report their personal securities holdings and transactions to Legacy Capital for review by the Advisor’s Chief Compliance Officer. The Code also requires supervised persons to obtain pre-approval of certain investments, including initial public offerings and limited offerings.

Legacy Capital will provide a copy of the Code of Ethics to any Client or prospective Client upon request.

### **D. Receipt of Economic Benefit**

Legacy Capital generally recommends that its investment management Clients utilize the custody and brokerage services of an unaffiliated broker-dealer/custodians (herein collectively the “Custodian”) with which Legacy Capital has an institutional relationship. Currently, this includes Schwab Advisor Services, a division of Charles Schwab & Co., Inc. (“Schwab”), which is a “Qualified Custodian” as that term is described in Rule 206(4)-2 of the Investment Advisers Act of 1940. Each Custodian provides custody of securities, trade execution, and clearance and settlement of transactions placed by Legacy Capital. If Client accounts are custodied at Schwab, Schwab will hold the Client’s assets in a brokerage account and buy and sell securities when we instruct them to.

In deciding to recommend Schwab, some of the factors that Legacy Capital considers include:

- Trade order execution and the ability to provide accurate and timely execution of trades;
- The reasonableness and competitiveness of commissions and other transaction costs;
- Access to a broad range of investment products;
- Access to trading desks;

- Technology that integrates within Legacy Capital's environment, including interfacing with Legacy Capital's portfolio management system;
- A dedicated service or back office team and its ability to process requests from Legacy Capital on behalf of its Clients;
- Ability to provide Legacy Capital with access to Client account information through an institutional website; and
- Ability to provide Clients with electronic access to account information and investment and research tools.

Legacy Capital may place portfolio transactions through the Custodian where the Clients' accounts are custodied. In exchange for using the services of the Custodian, Legacy Capital may receive, without cost, computer software and related systems support that allows Legacy Capital to monitor and service its Clients' accounts maintained with such Custodian.

Schwab also makes available to the Advisor products and services that benefit the Advisor but may not directly benefit the Client or the Client's account. These products and services assist the Advisor in managing and administering Client accounts. They include investment research, both Schwab's own and that of third parties. Legacy Capital may use this research to service all or some substantial number of Client accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to Client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple Client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our Clients' accounts; and
- assist with back-office functions, recordkeeping, and Client reporting.

Schwab also offers other services intended to help the Advisor manage and further develop our business enterprise. These services include:

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants, and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to the Advisor. Schwab may also discount or waive its fees for

some of these services or pay all or a part of a third party's fees. Schwab may also provide the Advisor with other benefits such as occasional business entertainment of Advisor personnel.

Legacy Capital will periodically review its arrangements with the Custodians and other broker-dealers against other possible arrangements in the marketplace as it strives to achieve best execution on behalf of its Clients. 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 broker-dealer's services, including, but not limited to, the following:

- a broker-dealer's trading expertise, including its ability to complete trades, execute and settle difficult trades, obtain liquidity to minimize market impact and accommodate unusual market conditions, maintain anonymity, and account for its trade errors and correct them in a satisfactory manner;
- a broker-dealer's infrastructure, including order-entry systems, adequate lines of communication, timely order execution reports, an efficient and accurate clearance and settlement process, and capacity to accommodate unusual trading volume;
- a broker-dealer's ability to minimize total trading costs while maintaining its financial health, such as whether a broker-dealer can maintain and commit adequate capital when necessary to complete trades, respond during volatile market periods, and minimize the number of incomplete trades;
- a broker-dealer's ability to provide research and execution services, including advice as to the value or advisability of investing in or selling securities, analyses and reports concerning such matters as companies, industries, economic trends and political factors, or services incidental to executing securities trades, including clearance, settlement and custody; and
- a broker-dealer's ability to provide services to accommodate special transaction needs, such as the broker-dealer's ability to execute and account for Client-directed arrangements and soft dollar arrangements, participate in underwriting syndicates, and obtain initial public offering shares.

As described above, Schwab provides to Legacy Capital, without cost, research and trade execution services. Schwab makes these services available to similarly situated investment advisers whose Clients custody their assets with Schwab. Access to research and trade execution services is not predicated on the execution of Client securities transactions (e.g., not "soft dollars.") Legacy Capital has not entered into any formal "soft dollar" arrangements with broker-dealers.



## **E. Review of Accounts**

### **Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

Legacy Capital monitors investment advisory portfolios as part of a continuous and ongoing process. Legacy Capital Client advisors have at least one annual meeting with each Client to review the Clients' accounts. These reviews may include the following:

- compare the account's allocation with stated goals and Client cash-flows at time of review;
- review holdings and consider alternatives;
- monitor the size of individual securities relevant to their sectors, asset classes, and overall account size;
- analyze an account's composition and performance, income, appreciation, gains/losses, and asset allocation; and
- assess its performance.

Factors that may trigger an additional review, other than a periodic review, include: material market, economic or political events, and known significant changes in a Client's financial situation and/or objectives. Clients are encouraged to notify Legacy Capital if changes occur in the Client's personal financial situation that might adversely affect the Client's investment plan.

### **Other Reviews**

Legacy Capital may perform compliance and/or supervisory reviews of a sampling of Client accounts. These reviews may include comparing an account's strategy and/or allocation to the account's stated objectives, reviewing commission and transaction costs borne by the account, and reviewing the billing rate and charges.

### **Content and Frequency of Regular Reports Provided to Clients**

Legacy Capital intends to provide quarterly performance reports to Clients within 30 days of the end of each calendar quarter. Additionally, Legacy Capital offers its Clients access to an online reporting platform that updates performance and holdings daily. Clients will also receive brokerage statements no less than quarterly from the qualified Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s]. The Client advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

## **F. Client Referrals and Other Compensation**

### **Economic Benefits Provided by Third Parties for Advice Rendered to Clients**

### Participation in Institutional Advisor Platform

Legacy Capital has established an institutional relationship with Schwab through its “Schwab Advisor Services” unit, a division of Schwab dedicated to serving independent advisory Advisors like Legacy Capital. As a registered investment advisor participating on the Schwab Advisor Services platform, Legacy Capital receives access to software and related support without cost because the Advisor renders investment management services to Clients that maintain assets at Schwab. Services provided by Schwab Advisor Services benefit the Advisor and many, but not all services provided by Schwab will benefit Clients. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a Custodian creates a conflict of interest since these benefits may influence the Advisor's recommendation of this Custodian over one that does not furnish similar software, systems support, or services.

*Services that Benefit the Client* – Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of Client’s funds and securities. Through Schwab, the Advisor may be able to access certain investments and asset classes that the Client would not be able to obtain directly or through other sources. Further, the Advisor may be able to invest in certain mutual funds and other investments without having to adhere to investment minimums that might be required if the Client were to directly access the investments.

*Services that May Indirectly Benefit the Client* – Schwab provides participating advisors with access to technology, research, discounts and other services. In addition, the Advisor receives duplicate statements for Client accounts, the ability to deduct advisory fees, trading tools, and back office support services as part of its relationship with Schwab. These services are intended to assist the Advisor in effectively managing accounts for its Clients, but may not directly benefit all Clients.

*Services that May Only Benefit the Advisor* – Schwab also offers other services and financial support to Legacy Capital that may not benefit the Client, including: educational conferences and events, financial start-up support, consulting services and discounts for various service providers. Access to these services creates a financial incentive for the Advisor to recommend Schwab, which results in a of interest. Legacy Capital believes, however, that the selection of Schwab as Custodian is in the best interests of its Clients.

### **Compensation to non-Supervised Persons for Client Referrals**

Legacy Capital does not presently engage third party solicitors.

## **G. Financial Information**

### **Balance Sheet**

Legacy Capital does not require prepayment of more than \$1,200 in fees per Client, six months or more in advance, and therefore does not need to include a balance sheet with this Wrap Fee Program Brochure.

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

Neither Legacy Capital nor its management have any financial conditions that are reasonably likely to impair its ability to meet contractual commitments to Clients.

### **Bankruptcy Petitions in Previous Years**

Legacy Capital has not been the subject of a bankruptcy petition.