

# **Legacy Financial Group, LLC**

**CRD # 115901**

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## **FORM ADV PART 2A BROCHURE**

**May 12, 2020**

*Item 1 Cover page*

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This brochure provides information about the qualifications and business practices of Legacy Financial Group, LLC. If you have any questions about the contents of this brochure, please contact us at (310) 756-1700. 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 Legacy Financial Group, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Legacy Financial Group, LLC is 115901.

Legacy Financial Group, LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## Item 2 Material Changes

As a registered investment adviser, we must ensure that our brochure is current and accurate. If there have been any material changes to our disclosure brochure since our last annual update, we will provide a description of such material changes here.

Since the filing of our last annual updating amendment, dated March 22, 2019 we have no material changes to report.

If you would like to receive a full copy of the entire brochure at no charge, please contact us at (310) 756-1700.

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## Item 4 Advisory Business

Legacy Financial Group, LLC ("we", "our", "us") is a registered investment adviser based in Torrance, CA. We are organized as a limited liability company under the laws of the State of California. We have been providing investment advisory services since 2001. Melanie Tanaka, Managing Member is our principal owner. Legacy Financial Group, LLC is an independent financial adviser that provides financial planning services including personal financial planning, asset allocation and asset management.

Currently, we offer the following investment advisory services, which are personalized to each individual client:

- **Financial Planning Services**
- **Selection of Advisers (Third Party Management)**
- **Asset Allocation and Management Services**

Such services are provided by our Investment Adviser Representatives ("Advisory Representative").

As used in this brochure, the words "you", "your" and "client" refer to you as either a client or prospective client of our firm. The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs.

### **Financial Planning Services**

We offer financial planning services which typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. These services can range from broad-based financial planning to consultative or single subject planning. If you retain our firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. We may also use financial planning software to determine your current financial position and to define and quantify your long-term goals and objectives. Once we specify those long-term objectives (both financial and non-financial), we will develop shorter-term, targeted objectives. Once we review and analyze the information you provide to our firm and the data derived from our financial planning software, we will deliver a written plan to you, designed to help you achieve your stated financial goals and objectives.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to us. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

Pursuant to California Code of Regulations, 10 CCR Section 260.235.2, Legacy Financial Group hereby makes the following statement: a conflict exists between the interest of Legacy Financial Group and the interests of the client. Further, the client is under no obligation to act upon Legacy Financial Group recommendations, and if the client elects to act on any of the recommendations, the client is under no obligation to effect the transactions through Legacy Financial Group.

All material conflicts of interest under CCR Section 260.238 (k) are disclosed regarding the investment adviser, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

While the firm endeavor at all times to offer clients its specialized services at reasonable costs, the fees charged by other advisers for comparable services may be lower than the fees charged by Legacy Financial Group.

**Refund/Termination Policy**

You may terminate the agreement upon our receipt of written notice. Upon termination any prepaid fees will be prorated to the date of termination and returned to you. A full refund of any fees paid will be made if the contract is terminated within 5 business days of signing the agreement.

**Selection of Other Advisers (Third Party Management)**

As part of our investment advisory services, we may recommend that you use the services of a third-party money manager ("TPMM") to manage your entire, or a portion of your, investment portfolio. All TPMM to whom we refer clients must be licensed as an investment adviser by the State of California or a registered investment adviser with the Securities and Exchange Commission.

After gathering information about your financial situation and investment objectives, one of our representatives will assist you in selecting a particular third-party management program. Factors that we consider in the selection of a particular third-party may include, without limitation: i) our qualitative assessment of a particular third-party program; ii) your risk tolerance, goals, objectives and restrictions, as well as investment experience; and, iii) the assets you have available for investment.

We may recommend one of the following investment management programs provided by **SEI Investment Management Corporation ("SIMC")**.

**SEI Managed Account Solutions**

We participate in the Managed Solutions Program (the "Program"). Under this Program SIMC acts as a Co-Investment Adviser along with Legacy Financial Group pursuant to a tri-party investment management agreement executed among SIMC, Legacy Financial Group and the Client investing assets into the Managed Accounts Solutions. Legacy Financial Group Advisor will work with clients gathering information about your financial situation and investment objectives and recommend an appropriate Managed Account Solutions investment portfolio based upon your goals and objectives. For more information about this program please see the SIMC disclosure brochure.

Pursuant to a Managed Account Solutions Agreement, you appoint us as your investment adviser to assist you in selecting an asset allocation strategy, which includes the percentage of assets allocated to designated portfolios of separate securities (each, a "Managed Account Portfolio") and may include the percentage of assets allocated to a portfolio of mutual funds advised by SIMC or an affiliate of SIMC. You appoint SIMC to manage the assets in each Managed Account Portfolio in accordance with a strategy selected by you together with our firm. SIMC may delegate its responsibility for selecting particular securities to one or more portfolio managers.

The fees payable to our firm are based upon the following tiered fee schedule:

<u>Account Size</u>	<u>Account Fee</u>
\$0 - \$249,999	1.25%
\$250,000 - \$499,999	1.00%
\$500,000 - \$999,999	0.75%
\$1,000,000 - \$1,999,999	0.50%
\$2,000,000 - \$24,999,999	0.20%
Assets over \$25,000,000	0.20%

SIMC may impose minimum account balances ranging from \$50,000 to \$1,000,000 depending upon the Managed Account Portfolio chosen and whether you select the tax management feature.

Advisory fees charged by SIMC are separate and apart from our advisory fees. Assets managed by SIMC will be included in calculating our advisory fee, which is based on the fee schedule set forth above in this section of the brochure. Advisory fees that you pay to the SIMC are established and payable in accordance with the brochure provided by SIMC. These fees may or may not be negotiable. You should review SIMC's brochure and take into consideration SIMC's fees along with our fees to determine the total amount of fees associated with this program. The total fees charged by both parties will not exceed 3% of assets under management per year.

Under the Program, you receive investment advisory services, the execution of securities brokerage transactions, custody services and reporting services for a single specified fee. Participation in the Program may cost you more or less than purchasing such services separately. In addition, the Program fee may be higher or lower than that charged by other sponsors of comparable wrap fee programs.

Additionally, the Program offers a feature called Integrated Managed Accounts ("IMAP"), which is an enhancement to the standard Program. In IMAP, SIMC selects one sub-adviser to serve as a tax manager for the entire Managed Account Portfolio. Other sub-advisers recommend securities using buy/sell lists for their specific asset class to which you have selected. An integration fee will be charged to your account when you select the IMAP feature. The fee will cover the integration of the equity managers, which helps result in increased coordination across the equity account, increased tax efficiency and additional features such as wash sale prevention. These additional fees only apply to the equity portion of your account that is allocated to the integrated equities portfolio; the fees do not apply to the fixed income or funds portion of your account (if applicable). A selection of your assets may receive a fee discount.

Clients who are referred to this Program will receive full disclosure, including services rendered and fee schedules, at the time of the referral, by delivery of a copy of SIMC's Form ADV Part 2A Appendix 1 or equivalent disclosure document. In addition, if the investment program recommended to you is a wrap fee program, you will also receive the Part 2A, Appendix #1, or equivalent wrap fee brochure provided by the sponsor of the program. We will provide to each client all appropriate disclosure statements, including disclosure of solicitation fees to us and our Advisory Representatives.

### **SEI Mutual Fund Models Program**

We also offer the SEI Mutual Fund Models Program to clients. The SEI Mutual Fund Models Program is a program whereby an independent investment adviser can make the SEI family of mutual funds available to clients. The Program is designed as follows:

SIMC has developed various model mutual fund asset allocation portfolios (the "Mutual Fund Models") designed to be invested in accordance with a stated investment objective or goal. Each Mutual Fund Model's underlying portfolio allocation is generally comprised exclusively of mutual funds in the SEI family of funds ("SEI Funds"), which are each advised by SIMC. Pursuant to the Mutual Fund Models Program, SEI will make available its various Mutual Fund Models to the Legacy Financial Group Advisors who, in turn, will assist you in determining which Mutual Fund Models to invest client assets based upon a client's goals and objectives as follows.

1. First, we will determine your risk profile and investment objectives. We will help you set appropriate investment objectives as well as to determine your investment time horizon and risk profile.

2. Next, we will set a relevant asset allocation policy for you. With our assistance, you will choose one of many mutual fund asset allocation models made available through the Program.
3. Diversify among asset classes and styles. SEI selects the investment managers of the underlying mutual funds. SEI utilizes institutional investment management firms. The managers are monitored by SEI to ensure that their investment styles and performance remain consistent with the objectives of the mutual funds.
4. We will supervise the account and make recommendations to you based upon recommendations provided by SEI based on the asset allocation model you chose.
5. SEI Private Trust Company (a subsidiary of SEI Investments Company) acts as the transfer agent and custodian for your account. SEI Private Trust Company provides reporting services including consolidated monthly or quarterly statements (as selected by you), and year-end tax reports.

We charge an investment advisory fee as stated below. SIMC charges an expense ratio to the fund; all expense ratios are disclosed in the prospectuses of the funds. SEI Private Trust Company, a subsidiary of SEI Investments Co. acts as the transfer agent and custodian for your account. SEI Private Trust Company, on behalf of our firm and your behalf, debits the advisory fee from your account. SIMC does not participate in the advisory fee.

The fees payable to our firm are based upon the following tiered fee schedule:

<u>Account Size</u>	<u>Account Fee</u>
\$0 - \$249,999	1.25%
\$250,000 - \$499,999	1.00%
\$500,000 - \$999,999	0.75%
\$1,000,000 - \$1,999,999	0.50%
\$2,000,000 - \$24,999,999	0.20%
Assets over \$25,000,000	0.20%

SEI Private Trust Company will debit your account on a quarterly basis for the above-mentioned fees and charges. The charges to the account will be on an arrears basis and will be remitted quarterly net of any applicable account and performance reporting charges not charged to you. Upon written notification, either you or our firm may terminate the agreement. Prorated fees will be charged based on market value on the date notice is received.

You sign an advisory contract with us and account opening documentation with SIMC. We provide our Firm Brochure to you and SIMC provides a prospectus for the mutual funds utilized in the fee-based account. As custodian, SEI Private Trust Company provides all reporting functions for the account, and supplies you with a quarterly statement, on at least a quarterly basis. The fee schedule that we charge for our advisory services in connection with the SEI Mutual Fund Models Program is included herein and in the SEI Mutual Fund Models Program Advisory Agreement for client disclosure.

For additional information about the program please see SIMC disclosure brochure.

Legacy Financial Group also provides portfolio management services through **Vision 2020 Wealth Management Corporation ("Vision2020")**.

**VISION2020 Wealth Management Platform - Advisor Managed Portfolios**

The Wealth Management Platform - Advisor Managed Portfolios Program ("Advisor Managed Portfolios") provides investment management of your assets through the application of asset allocation planning software as well as the provision of execution, clearing and custodial services through Pershing, LLC ("Pershing") or, on a limited basis National Financial Services, Inc. ("NFS").

Your Legacy Financial Group Advisor will work with you to identify your investment goals and objectives as well as risk tolerance. The Advisor Managed Portfolios provides risk tolerance assessment, efficient frontier plotting, fund profiling and performance data, and portfolio optimization and re-balancing tools. Utilizing these tools, and based on your responses to a risk tolerance questionnaire ("Questionnaire") and discussions with your Advisor regarding, among other things, investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation, your advisor will then create an initial portfolio allocation designed to complement your financial situation and personal circumstances. Your Advisor has the option to allocate your portfolio amongst a mix of stocks, bonds, options, exchange-traded funds, mutual funds and other securities ("Program Investments") which are based on your investment goals, objectives, and risk tolerance.

Each portfolio is designed to meet your individual needs, stated goals and objectives. Additionally, you have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

Depending on the terms you enter into with Vision 2020 in the Statement of Investment Selection ("SIS"), your Advisor will manage your account on either a discretionary or non-discretionary basis. We define discretionary management as the ability to trade your account, without obtaining your prior consent, the securities and amount of securities to be bought or sold, and the timing of the purchase or sale. It does not extend to the withdrawal or transfer of your account funds. Non-discretionary management means that your Advisor does not have the ability to perform the aforementioned without your consent. However, your Advisor has the option to periodically rebalance your account to maintain the initially agreed upon asset allocation without your consent.

For further [details about the Advisor Managed Portfolios](#), please see the Advisor Managed Portfolios Disclosure Brochure. We provide this brochure to you prior to or concurrent with your enrollment in Advisor Managed Portfolios. Please read it thoroughly before investing.

**VISION2020 Wealth Management Platform - Unified Managed Account Program**

The Wealth Management Platform - Unified Managed Account Program ("UMA") provides you with the opportunity to invest your assets across multiple investment strategies and asset classes by implementing an asset allocation strategy. UMA is a Wrap Account program that offers these advisory services along with brokerage and custodial services for a single, annual, asset-based advisory fee.

Your Legacy Financial Group Advisor will assist clients in the selection of Program Investments suitable for the Client. Suitability will be determined through Client responses to a risk tolerance questionnaire ("Questionnaire") and discussion between the Advisor and Client regarding among other things, investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation. In addition, you have the opportunity to place reasonable restrictions on investments held within your UMA account. All recommendations in the UMA are made on a discretionary basis, which means your Advisory Representative can act without your prior approval.



Your Advisor will present you with a UMA model for your approval which will consist of: 1) third party money managers who will manage your account according to a particular equity or fixed income model or strategy, or 2) no-load mutual funds ("Funds"), or 3) exchange traded funds ("ETFs") or any combination thereof bundled together in an investment asset allocation model.

All Program Account Types available in the Unified Managed Account Program allow Manager or your Advisor to change your asset allocation model, Investment Managers, or Program Account Type without your prior approval based on your financial goals and investment objectives.

Your Advisor will monitor the Program Investments on an ongoing basis and Advisor will be responsible for determining initial and ongoing suitability.

For further UMA details, please refer to the Wealth Management Platform - Unified Managed Account Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in WMAP. Please read it thoroughly before investing.

### **VISION2020 WEALTH MANAGEMENT PLATFORM - GENESIS MODEL PORTFOLIOS PROGRAM**

The Wealth Management Platform - Genesis Model Portfolios Program ("Model Program") offers you managed asset allocation models ("Asset Allocation Models") of mutual funds, exchange traded funds ("ETFs"), or a combination thereof, diversified across various investment styles and strategies. The Asset Allocation Models are constructed by managers ("Program Managers") such as BlackRock Investment Management, LLC and Vanguard Advisers, Inc.

Based upon your risk tolerance and financial objectives, the Model Program utilizes a system that assists you and your Advisor in selecting a specific Asset Allocation Model. After the Asset Allocation Model is chosen, we, with the assistance of the Model Program sponsor, will open a Model Program account. Your assets will be invested in the specific investments contained within the recommended Asset Allocation Model. You have the opportunity to place reasonable restrictions on investments held within the Model Program account. All investment recommendations are made on a discretionary basis meaning your specific authorization is not required prior to selecting an Asset Allocation Model or executing each transaction. Additionally, your Advisor has the ability to change your asset allocation model, Investment Managers, or Program Account Type without your prior approval based on your financial goals and investment objectives.

For further Model Program details, including a full list of Program Managers, please see the Vision2020 Wealth Management Genesis Model Program Wrap Fee Program Brochure, Form ADV Appendix 1. We provide this brochure to you prior to or concurrent with your enrollment in the Model Program. Please read it thoroughly before investing.

### **Wrap Fee Programs**

We do not sponsor a wrap fee program.

### **Types of Investments**

We offer advice on equity securities, corporate debt securities (other than commercial paper), certificates of deposit, municipal securities, variable annuities, mutual fund shares, United States government securities, money market funds, REITs, structured notes and ET

Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

Since our investment strategies and advice are based on each client's specific financial situation, the investment advice we provide to you may be different or conflicting with the advice we give to other clients regarding the same security or investment. You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing. At our discretion we may incorporate your request as it may not be appropriate for the investment or model strategy.

### **Assets Under Management**

As of December 31, 2019, we provide continuous management services for \$12,806,325 in client assets on a discretionary basis, and \$62,544,058 in client assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### **Financial Planning Services**

We charge a fixed fee for financial planning services, which generally ranges between \$1,500 and \$5,000. The first half of the estimated fee is due in advance of services rendered with the remaining balance payable upon completion of the contracted services. The fee is negotiable depending upon the complexity and scope of the plan, your financial situation, and your objectives. Typically the financial plan will be presented to you within 90 days or less of the contract date, provided that you promptly provide all information needed to prepare the financial plan. We will not require prepayment of a fee more than six months in advance and in excess of \$500. Should the engagement last longer than six months between acceptance of financial planning agreement and delivery of the financial plan, any prepaid unearned fees will be promptly returned to you less a pro rata charge for bona fide financial planning services rendered to date.

We also provide financial planning services based upon an hourly fee of \$250, which is negotiable depending on the scope and complexity of the plan, your situation, and your financial objectives. An estimate of the total time/cost will be determined at the start of the advisory relationship. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, we will notify you and request that you approve the additional fee.

We also offer advice on single subject financial planning/general consulting services at the same hourly rate.

At our discretion, we may offset our financial planning fees to the extent you implement the financial plan through our investment management service.

The financial planning fee will be waived if a client also engages our firm to provide investment management service in conjunction with the financial planning engagement. This fee waiver is only available for clients that engage for both services prior to the conclusion of the financial planning arrangement.

When you receive financial planning services, you may also purchase securities or insurance products offered through SagePoint pursuant to the plan or consultation. Our Advisory Representatives may receive commissions (and this may be their primary method of compensation) as Registered Representatives of SagePoint or insurance agents in connection with such transactions. Thus, we may have a conflict of interest when providing financial planning services to you as there may be an incentive for us to recommend specific courses of action through our financial planning services that may lead to our Advisory Representatives receiving additional compensation.

Please be aware that you are under no obligation to purchase products or services recommended by us or members of our Firm in connection with our providing you with financial planning services, or any advisory service that we offer.

Either party can terminate the agreement in writing within 5 days of execution without fee or penalty. Thereafter the agreement may be terminated by either party upon 30 day written notice. You will incur a pro rata charge for services rendered prior to the termination of the agreement, based on the work performed prior to termination and any pre-paid unearned fees will be refunded. In the event of termination fee refunds are calculated by using the following formula: Any prepaid fee - (number of hours spent prior to termination x \$250).

### **Selections of Other Advisers**

Fees paid by you to independent third-party advisers are established and payable in accordance with the Form ADV Part 2A or Wrap Fee or other equivalent disclosure provided by each independent third-party adviser to whom we refer our clients, and may or may not be negotiable, as disclosed in the disclosure documents of the third-party adviser.

### **SEI Investment Management Corporation ("SIMC")**

Please refer to the "Advisory Business" section above in this Brochure for information on our advisory fees, fee deduction arrangements, and refund policy according to each service we provide in relation to SIMC.

Advisory fees that you pay to the SIMC are established and payable in accordance with the brochure provided by SIMC to whom you are referred. These fees may or may not be negotiable. You should review SIMC's brochure and take into consideration SIMC's fees along with our fees to determine the total amount of fees associated with this program. The total fee charged by both parties will not exceed 3% of your assets under management on an annual basis.

### **Vision 2020 Wealth Management Corporation ("Vision2020")**

#### ***VISION2020 Wealth Management Platform - Advisor Managed Portfolios***

Vision2020 offers the Advisor Managed Portfolios as either a wrap fee or non wrap fee account. A wrap fee account ("Wrap Account") is offered as an account where no separate transactions charges apply and a single fee is paid for all advisory services and transactions. In a Wrap Account, the wrap fee can be set-up so that either Legacy Financial Group or the Advisory Representative pays the underlying ticket charges for securities transactions. In cases where the Advisory Representative pays the ticket charges, the Advisory Representative may be incentivized to trade less frequently which results in the Advisory Representative retaining a greater portion of the wrap fee. The Firm has policies and procedures to monitor and reduce the risk of this occurring.

However, Advisor Managed Portfolios is also offered with separate advisory fees and transaction charges ("Non-Wrap Account"). As such, in addition to the quarterly account fee described below for advisory services, you may also pay separate per-trade transaction charges. This is generally the Advisors Managed Portfolios program your Legacy Financial Advisor will recommend for you to establish for your account.

Depending on the terms you enter into with Vision 2020 in the Statement of Investment Selection ("SIS"), your Advisor will manage your account on either a discretionary or non-discretionary basis.

Pursuant to the Advisor Managed Portfolios Client Agreement, and the terms you enter into with Vision 2020 in the Statement of Investment Selection ("SIS"), you appoint us as your investment adviser to direct the investments and reinvestment of the assets in your account on either a discretionary or non-discretionary basis.

The portion of the fees payable to our firm is as follows:

<b><u>Asset Under Management</u></b>	<b><u>Annual Fee</u></b>
Under \$500,000	.95%-1.50%
\$500,000 - \$1,250,000	.90%-1.25%
\$1,250,001 - \$5,000,000	.75%-.95%
Above \$5,000,000	.75%-0.95%

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by your custodian based upon the terms of your Advisor Managed Portfolio Agreement. If you terminate your participation in this program, you will be entitled to a pro rata refund of any prepaid quarterly fees based upon the number of days remaining in the quarter after the date upon which the notice of termination is received.

Mutual funds and ETFs invested in the account have their own internal fees which are separate and distinct from the program account fees (for more information on these fees, see the applicable fund prospectus). Some Fund fees include 12b-1 fees which are internal distribution fees assessed by the Fund, all or a portion of which are paid to the distributor(s) of the Funds. The Firm and your Advisory Representative do not retain 12b-1 fees paid by Funds. In certain instances, you may be eligible to purchase certain mutual funds and exchange-traded funds without incurring transaction charges subject to certain conditions. For details, please refer to Item 4 (No Transaction Fee Programs) of the Advisor Managed Portfolios wrap fee brochure. If your assets are held in a certain type of Wrap Account, an incentive may exist for your Advisory Representative to purchase mutual funds or exchange-traded funds that are part of the No Transaction Fee Programs to avoid paying a transaction fee.

For complete fee details, including account fee schedule guidelines and a list of transaction charges, please see the Advisor Managed Portfolios Wrap Fee Program Brochure.

#### ***VISION2020 Wealth Management Platform - Unified Managed Account Program***

The Wealth Management Platform - Unified Managed Account Program ("UMA") ("Wealth Managed Account Program" or "WMAP") provides you with the opportunity to invest your assets across multiple investment strategies and asset classes by implementing an asset allocation strategy. UMA is a Wrap Account program that offers these advisory services along with brokerage and custodial services for a single, annual, asset-based advisory fee.

Pursuant to the Unified Managed Account Client Services Agreement and the Program Statement of Investment Selection and Client Agreement, you appoint us as your investment adviser to assist you in the selection of Program Investments, based upon your investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation.

The portion of the fees payable to our firm is as follows:

<b><u>Asset Under Management</u></b>	<b><u>Annual Fee</u></b>
--------------------------------------	--------------------------

Under \$500,000	.95%-1.50%
\$500,000 - \$1,250,000	.90%-1.25%
\$1,250,001 - \$5,000,000	.75%-.95%
Above \$5,000,000	.75%-0.95%

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by your custodian. You will receive a full account fee refund in the event that you terminate your client agreement with us within five business days of signing. If you terminate after the first five days, you will be entitled to a pro rata refund of any prepaid quarterly fees based upon the number of days remaining in the quarter after the date upon which the notice of termination is received.

Legacy Financial Group Advisors negotiates their own account fee schedule. The account fees paid by client include portions paid to Legacy Financial Group, ("Adviser Fees"), Vision2020, the custodian, and the third party money managers selected ("Program Fees"). Adviser fees are set independently regardless of manager selected. Mutual funds and ETFs invested in the account also have their own internal fees ("internal fund expenses") which are separate and distinct from the program account fees (for more information on these fees, see the applicable fund prospectus). Since fees billed to your Model Program account are comprised of both program fees and adviser fees, Legacy Financial Group Advisors may have an incentive to select third party money managers with lower program fees in order to manage the overall fee charged to you. You and your advisor should consider the overall fees and expenses, including internal fund expenses, when selecting managers and other portfolio investments.

For complete fee details, including account fee schedule guidelines please see the WMAP Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in WMAP. Please read it thoroughly before investing

#### **VISION2020 Wealth Management Platform - Genesis Model Portfolios Program**

We may refer you to the Genesis Model Portfolios Program to open an account where no separate transactions charges apply and a single fee is paid for all advisory services and transactions ("Wrap Account").

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by your custodian in accordance of the term and conditions in your agreement with the Genesis Model Portfolios Program. If you terminate your participation in this program, you will be entitled to a pro rata refund of any prepaid quarterly fees based upon the number of days remaining in the quarter after the date upon which the notice of termination is received.

Pursuant to the Genesis Model Portfolios Program Statement of Investment Selection and Client Agreement, you appoint us as your investment adviser to assist you in selecting model strategy (ies) based upon your goals and objectives. You appoint VISION2020 Wealth Management Platform to manage the assets in each model portfolio in accordance with a strategy selected by you together with our firm.

The portion of the fees payable to our firm is as follows:

<b><u>Asset Under Management</u></b>	<b><u>Annual Fee</u></b>
--------------------------------------	--------------------------

Under \$500,000	.95%-1.50%
\$500,000 - \$1,250,000	.90%-1.25%
\$1,250,001 - \$5,000,000	.75%-.95%
Above \$5,000,000	.75%-0.95%

Legacy Financial Group Advisors negotiates their own account fee schedule. The account fees paid by client include portions paid to Legacy Financial Group, ("Adviser Fees"), Vision2020, the custodian, and the third party money managers selected ("Program Fees"). Adviser fees are set independently regardless of manager selected. Mutual funds and ETFs invested in the account also have their own internal fees ("internal fund expenses") which are separate and distinct from the program account fees (for more information on these fees, see the applicable fund prospectus). Since fees billed to your Model Program account are comprised of both program fees and adviser fees, Legacy Financial Group Advisors may have an incentive to select third party money managers with lower program fees in order to manage the overall fee charged to you. You and your advisor should consider the overall fees and expenses, including internal fund expenses, when selecting managers and other portfolio investments.

The Program Fee may be negotiated and may differ from client to client based upon a number of factors. Moreover, in addition, different fee schedules for the Program may apply to clients who also participate in Advisor's other programs.

For complete fee details, including account fee schedule guidelines, please see the Model Program Wrap Fee Brochure.

### **Additional Fees and Expenses**

Mutual fund investments in the programs that we offer are no-load or load at NAV. Your mutual fund investments may be subject to early redemption fees, 12b-1 fees and mutual fund management fees as well as other mutual fund expenses. These fees are in addition to the fees and expenses referenced above. Please review the mutual fund prospectus for full details.

There are additional fees relating to IRA and Qualified Retirement Plan accounts that you may incur such as maintenance and termination fees. You will find these fees disclosed in the account application paperwork provided to you associated with these accounts.

In addition to providing advisory services, Advisors of Legacy Financial Group may also sell you securities products and other investment and insurance products in their capacity as registered representatives of SagePoint and as licensed insurance agents. We may receive additional compensation in connection with this activity and the amount of compensation may depend on the type of product purchased. We may have a financial incentive to sell certain products as opposed to others (for example, in the case of mutual funds those that have a higher 12b-1 fee than others). Please be aware that you are under no obligation to purchase products or services recommended by us or members of our Firm in connection with providing you with any advisory service that we offer.

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by



the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the "Brokerage Practices" section of this brochure.

### **State of California Required Disclosures**

While our firm endeavors at all times to offer clients specialized services at reasonable costs, the fees charged by other investments advisers for comparable services may be lower than the fees charged by our firm.

### **Compensation for the Sale of Securities or Other Investment Products**

Persons providing investment advice on behalf of our firm are registered representatives with SagePoint Financial, Inc., a securities broker-dealer, and a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). In their capacity as registered representatives, these persons may receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by these persons in their capacities as registered representatives are separate and in addition to our advisory fees. Persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees.

This practice presents a conflict of interest because persons providing investment advice to advisory clients on behalf of our firm who are registered representatives have an incentive to recommend investment products based on the compensation received rather than solely based on your needs

We will endeavor at all times to place your interests first when making recommendations regarding insurance and investment products and you are under no obligation to purchase either insurance or investment products through any person affiliated with our firm.

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

We do not accept performance-based fees or participate in side-by-side management. 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. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the *Advisory Business* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## **Item 7 Types of Clients**

We offer investment advisory services to individuals, trusts, estates, charitable organizations, corporations, and other business entities.

In general, we do not require a minimum dollar amount to open and maintain an advisory account; however, we have the right to terminate your Account if it falls below a minimum size which, in our sole opinion, is too small to manage effectively.

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

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

### Methods of Analysis

We may use one or more of the following methods of analysis when providing investment advice to you:

- Modern Portfolio Theory (MPT) is a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully diversifying the proportions of various assets. We will use this method of analysis as our core investment strategy and we will select asset allocation models based on your risk profile and investment objectives.
- Charting Analysis - involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends.
- Fundamental Analysis - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.
- Technical Analysis - involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.
- Cyclical Analysis - a type of technical analysis that involves evaluating recurring price patterns and trends.

### Associated Risks

Charting and Technical Analysis - The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day to day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Fundamental Analysis - The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Cyclical Analysis - Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

### Investment Strategies

We may use one or more of the following investment strategies when formulating investment advice:

- Long Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.



- Short Term Purchases - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

We will not perform quantitative or qualitative analysis of individual securities. Instead, we will advise you on how to allocate your assets among various classes of securities or third party investment advisers. We primarily rely on investment model portfolios and strategies developed by the various third party investment advisers and their portfolio managers. We may recommend replacing any of these third party investment advisers if there is a significant deviation in characteristics or performance from the stated strategy and/or benchmark.

### **Tax Considerations**

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Our firm or the TPA managing your account will either instruct the custodian to use the first-in, first-out ("FIFO") accounting method for calculating and reporting the cost basis of your investments or the custodian will default to the FIFO method where no instruction is given.

You are responsible for contacting your tax adviser to determine if this accounting method is the right choice for you. If your tax adviser believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

### **Other Risk Considerations**

When evaluating risk, financial loss may be viewed differently by each client and may depend on many different risks, each of which may affect the probability and magnitude of any potential losses. The following risks may not be all-inclusive, but should be considered carefully by a prospective client before retaining our services.

**Liquidity Risk:** The risk of being unable to sell your investment at a fair price at a given time due to high volatility or lack of active liquid markets. You may receive a lower price or it may not be possible to sell the investment at all.

**Credit Risk:** Credit risk typically applies to debt investments such as corporate, municipal, and sovereign fixed income or bonds. A bond issuing entity can experience a credit event that could impair or erase the value of an issuer's securities held by a client.

**Inflation and Interest Rate Risk:** Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of a client's future interest payments and principal. Inflation also generally leads to higher interest rates which may cause the value of many types of fixed income investments to decline.

**Horizon and Longevity Risk:** The risk that your investment horizon is shortened because of an unforeseen event, for example, the loss of your job. This may force you to sell investments that you were expecting to hold for the long term. If you must sell at a time that the markets are down, you may lose money. Longevity Risk is the risk of outliving your savings. This risk is particularly relevant for people who are retired, or are nearing retirement.

### **Recommendation of Particular Types of Securities**

As disclosed under the "Advisory Business" section in this brochure, we primarily recommend mutual funds and exchange traded funds ("ETFs"). However, we may advise on or recommend other types of investments as appropriate, based on your specific needs and risk tolerance. Each type of security has its own unique set of risks associated with it, and it would not be possible to list here all of the specific risks of every type of security. Even within the same type of investment, risks can vary widely.

**Money Market Funds:** A money market fund is technically a security. The fund managers attempt to keep the share price constant at \$1/share. However, there is no guarantee that the share price will stay at \$1/share. If the share price goes down, you can lose some or all of your principal. The U.S. Securities and Exchange Commission ("SEC") notes that "While investor losses in money market funds have been rare, they are possible." In return for this risk, you should earn a greater return on your cash than you would expect from a Federal Deposit Insurance Corporation ("FDIC") insured savings account (money market funds are not FDIC insured). Next, money market fund rates are variable. In other words, you do not know how much you will earn on your investment next month. The rate could go up or go down. If it goes up, that may result in a positive outcome. However, if it goes down and you earn less than you expected to earn, you may end up needing more cash. A final risk you are taking with money market funds has to do with inflation. Because money market funds are considered to be safer than other investments like stocks, long-term average returns on money market funds tends to be less than long term average returns on riskier investments. Over long periods of time, inflation can eat away at your returns.

**Certificates of Deposit:** Certificates of deposit are generally the safest type of investment since they are insured by the federal government up to a certain amount. However, because the returns are generally very low, it is possible for inflation to outpace the return. Likewise, U.S. government securities are backed by the full faith and credit of the U.S. government but it is also possible for the rate of inflation to exceed the returns.

**Municipal Securities:** Municipal securities, while generally thought of as safe, can have significant risks associated with them including, but not limited to: the credit worthiness of the governmental entity that issues the bond; the stability of the revenue stream that is used to pay the interest to the bondholders; when the bond is due to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same amount of interest or yield to maturity.

**Bonds:** Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

**Stocks:** There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, better established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") are but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

**Mutual Funds and Exchange Traded Funds:** Mutual funds and exchange traded funds ("ETF") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the funds, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of its Underlying Index or other benchmark, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their Underlying Indices or benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its Underlying Index, or its weighting of investment exposure to such securities may vary from that of the Underlying Index. Some ETFs may invest in securities or financial instruments that are not included in the Underlying Index, but which are expected to yield similar performance.

**Variable Annuities:** A variable annuity is a form of insurance where the seller or issuer (typically an insurance company) makes a series of future payments to a buyer (annuitant) in exchange for the immediate payment of a lump sum (single-payment annuity) or a series of regular payments (regular-payment annuity). The payment stream from the issuer to the annuitant has an unknown duration based principally upon the date of death of the annuitant. At this point, the contract will terminate and the remainder of the funds accumulated forfeited unless there are other annuitants or beneficiaries in the contract. Annuities can be purchased to provide an income during retirement. Unlike fixed annuities that make payments in fixed amounts or in amounts that increase by a fixed percentage, variable annuities, pay amounts that vary according to the performance of a specified set of investments, typically bond and equity mutual funds. Many variable annuities typically impose asset-based sales charges or surrender charges for withdrawals within a specified period. Variable annuities may impose a variety of fees and expenses, in addition to sales and surrender charges, such as mortality and expense risk charges; administrative fees; underlying fund expenses; and charges for special features, all of which can reduce the return. Earnings in a variable annuity do not provide all the tax advantages of 401(k)s and other before-tax retirement plans. Once the investor starts withdrawing money from their variable annuity, earnings are taxed at the ordinary income rate, rather than at the lower capital

gains rates applied to other non-tax-deferred vehicles which are held for more than one year. Proceeds of most variable annuities do not receive a "step-up" in cost basis when the owner dies like stocks, bonds and mutual funds do. Some variable annuities offer "bonus credits." These are usually not free. In order to fund them, insurance companies typically impose mortality and expense charges and surrender charge periods. In an exchange of an existing annuity for a new annuity (so-called 1035 exchanges), the new variable annuity may have a lower contract value and a smaller death benefit; may impose new surrender charges or increase the period of time for which the surrender charge applies; may have higher annual fees; and provide another commission for the broker.

**Real Estate Investment Trust:** A real estate investment trust ("REIT") is a corporate entity which invests in real estate and/or engages in real estate financing. A REIT reduces or eliminates corporate income taxes. REITs can be publicly or privately held. Public REITs may be listed on public stock exchanges. REITs are required to declare 90% of their taxable income as dividends, but they actually pay dividends out of funds from operations, so cash flow has to be strong or the REIT must either dip into reserves, borrow to pay dividends, or distribute them in stock (which causes dilution). After 2012, the IRS stopped permitting stock dividends. Most REITs must refinance or erase large balloon debts periodically. The credit markets are no longer frozen, but banks are demanding, and getting, harsher terms to re-extend REIT debt. Some REITs may be forced to make secondary stock offerings to repay debt, which will lead to additional dilution of the stockholders. Fluctuations in the real estate market can affect the REIT's value and dividends.

**Structured Products:** A structured product, also known as a market-linked product, is generally a pre-packaged investment strategy based on derivatives, such as a single security, a basket of securities, options, indices, commodities, debt issuances, and/or foreign currencies, and to a lesser extent, swaps. Structured products are usually issued by investment banks or affiliates thereof. They have a fixed maturity, and have two components: a note and a derivative. The derivative component is often an option. The note provides for periodic interest payments to the investor at a predetermined rate, and the derivative component provides for the payment at maturity. Some products use the derivative component as a put option written by the investor that gives the buyer of the put option the right to sell to the investor the security or securities at a predetermined price. Other products use the derivative component to provide for a call option written by the investor that gives the buyer of the call option the right to buy the security or securities from the investor at a predetermined price. A feature of some structured products is a "principal guarantee" function, which offers protection of principal if held to maturity. However, these products are not always Federal Deposit Insurance Corporation insured; they may only be insured by the issuer, and thus have the potential for loss of principal in the case of a liquidity crisis, or other solvency problems with the issuing company. Investing in structured products involves a number of risks including but not limited to: fluctuations in the price, level or yield of underlying instruments, interest rates, currency values and credit quality; substantial loss of principal; limits on participation in any appreciation of the underlying instrument; limited liquidity; credit risk of the issuer; conflicts of interest; and, other events that are difficult to predict.

## Item 9 Disciplinary Information

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

## Item 10 Other Financial Industry Activities and Affiliations

We have not provided information on other financial industry activities and affiliations because we do not have any relationship or arrangement that is material to our advisory business or to our clients with any of the types of entities listed below.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker;
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund);
3. other investment adviser or financial planner;
4. futures commission merchant, commodity pool operator, or commodity trading adviser;
5. banking or thrift institution;
6. accountant or accounting firm;
7. lawyer or law firm;
8. insurance company or agency;
9. pension consultant;
10. real estate broker or dealer; and/or
11. sponsor or syndicator of limited partnerships.

### Registrations with Broker-Dealer

Persons providing investment advice on behalf of our firm who are registered representatives of SagePoint Financial, Inc. will recommend SagePoint Financial, Inc. ("SagePoint") to you for brokerage services. SagePoint is a diversified financial services company registered with the Financial Industry Regulatory Authority ("FINRA") as a broker-dealer engaged in the offer and sale of securities products. Our Advisory Representatives may recommend the purchase of securities offered by SagePoint. If you purchase these products through them, they will receive normal commissions which may be in addition to customary advisory fees. As such, Advisory Representatives may have an incentive to sell you commissionable products in addition to providing you with advisory services when such commissionable products may not be suitable.

Alternatively, they may have an incentive to forego providing you with advisory services when appropriate, and instead recommend the purchase of commissionable investments, if they deem that the payout for recommending the purchase of these investments would be higher than providing management advice on these products for an advisory fee. While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we may have to sell certain securities products and are encouraged to ask us about any conflict of interest that may be presented. Please be aware that you are under no obligation to purchase products or services recommended by us or members of our Firm in connection with providing you with any advisory service that we offer.

### Recommendation of Other Advisers

We may recommend that you use a third party money manager (TPMM") based on your needs and suitability. Depending upon the TPMM you select, as disclosed above, we will either charge you a separate fee in addition to the TPMM fees. Or we do not charge you a separate fee, and we will share in the advisory fee you pay directly to the TPMM. The advisory fee you pay to the TPMM is established and payable in accordance with the brochure provided by each TPMM to whom you are referred. We do not have any other business relationships with the recommended TPMMs. Refer to the *Advisory Business* section above for additional disclosures on this topic.



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

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

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

### **Participation or Interest in Client Transactions**

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. Please be aware that open-end mutual funds are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. As such, transactions in mutual funds by our Advisory Representatives are not likely to have an impact on the prices of the fund shares in which Clients invest.

## **Item 12 Brokerage Practices**

We recommend the brokerage and custodial services of SagePoint Financial, Inc., a securities broker-dealer and a member of FINRA/SIPC. We believe that SagePoint Financial, Inc. provides quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by SagePoint Financial, Inc., including the value of research provided, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of research services and additional brokerage products and services SagePoint Financial, Inc., provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere. We do not receive research and soft dollar benefits. We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Persons providing investment advice on behalf of our firm who are registered representatives of SagePoint Financial, Inc. will recommend SagePoint Financial, Inc. to you for brokerage services. These individuals are subject to applicable rules that restrict them from conducting securities transactions away from SagePoint Financial, Inc. unless SagePoint Financial, Inc. provides the representative with written authorization to do so. Therefore, these individuals are generally limited to conducting securities transactions through SagePoint Financial, Inc. It may be the case that SagePoint Financial, Inc. charges higher transactions costs and/or custodial fees than another broker charges for the same types of services. If transactions are executed through SagePoint Financial, Inc., these individuals (in their separate capacities as registered representatives of SagePoint Financial, Inc.) may

earn commission-based compensation as a result of placing the recommended securities transactions through SagePoint Financial, Inc. This practice presents a conflict of interest because these registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. You may utilize the broker-dealer of your choice and have no obligation to purchase or sell securities through such broker as, we recommend. However, if you do not use SagePoint Financial, Inc., we may not be able to accept your account. Please see the "Fees and Compensation" section in this brochure for more information on the compensation received by registered representatives who are affiliated with our firm.

### **Research and Other Soft Dollar Benefits**

We do not have any soft dollar arrangements.

### **Economic Benefits**

As a registered investment adviser, we have access to the institutional platform of your account custodian. As such, we will also have access to research products and services from your account custodian and/or other brokerage firms. These products may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms, and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

Additionally, various service platforms offer programs that may pay additional compensation and/or may provide consulting, education, training, marketing support and/or other services to assist Legacy Financial Group. Under these programs, individual Financial Advisers of Legacy Financial Group are entitled to receive a quarterly business development allowance for reimbursement of qualified marketing/practice development expenses incurred by the Financial Adviser. These amounts vary depending on the value of the Account assets of Clients referred to service platform by the Financial Adviser. These payments will not increase the fees assessed to those client accounts associated with these Financial Advisers or their firms. Marketing support may take the form of sponsoring conferences, payment of certain expenses, such as fees to allow Legacy Financial Group to participate in educational conferences of Financial Advisory Firms, expenses of presenting workshops/seminars for prospective and existing Clients, or expenses of Financial Adviser attendance at informational or due diligence meetings held at the services platforms offices, commercial lodging or resort facilities. Gifts of a nominal value and/or promotional incentives may be provided when permissible.

### **Directed Brokerage**

We routinely require that you direct our firm to execute transactions through SagePoint, Pershing, and SEI. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

Persons providing investment advice on behalf of our firm who are registered representatives of SagePoint Financial will recommend SagePoint Financial to you for brokerage services. These individuals are subject to applicable rules that restrict them from conducting securities transactions away from SagePoint Financial unless SagePoint Financial provides the representative with written authorization to do so. Therefore, these individuals are generally limited to conducting securities transactions through SagePoint Financial. It may be the case that SagePoint Financial charges higher transactions costs and/or custodial fees than another broker charges for the same types of services. If transactions are executed through SagePoint Financial, these individuals (in their separate capacities

as registered representatives of SagePoint Financial) may earn commission-based compensation as result of placing the recommended securities transactions through SagePoint Financial. This practice presents a conflict of interest because these registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. You may utilize the broker-dealer of your choice and have no obligation to purchase or sell securities through such broker as, we recommend. However, if you do not use SagePoint Financial, we may not be able to accept your account. See the *Fees and Compensation* section in this brochure for more information on the compensation received by registered representatives who are affiliated with our firm.

### **Block Trades**

We may aggregate your orders with those of other clients in a bunched trade or trades when securities are purchased or sold. For each account that we include in the bunched trade, we must reasonably believe that the bunched order is consistent with our duty to seek best execution and benefit you and each client participating in the aggregated order. The average price per share of each bunched trade is allocated to each account that participates in the bunched trade. Accounts that participate in the same bunched trade are charged transactions costs, if applicable, in accordance with their advisory contracts.

If a bunched order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation. Partial fills will be allocated in a way that does not consistently advantage or disadvantage particular client accounts and are generally filled pro-rata among participating accounts.

## **Item 13 Review of Accounts**

For investment management services, securities are reviewed on a regular basis. Triggering factors include but are not limited to, the state of the markets, price momentum, relative strength, group relative strength, volume, accumulation, distributions, earnings and earning potential. In the case of mutual funds, the funds are reviewed to see if they are meeting expectations on a basis of risk versus reward. Additional reviews are available at your request. All reviews will be conducted by our Advisory Representatives.

For financial planning services, at a minimum, you will receive an annual review and consultation. Such review and consultation will contain some or all of the following; specific advice concerning any changes in your investments that we believe you should make and specific advice concerning the manner in which you can make the changes advised by either us or your third party adviser. All reviews will be conducted by our Advisory Representatives.

All investment management services clients will receive statements from their custodians on either a monthly or quarterly basis. These reports will show the current market values and transactions during the past month or quarter as well as interest, dividends and capital gains for the reporting period.

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

We do not directly or indirectly compensate non-employee (outside) consultants, individuals, and/or entities (Solicitors) for client referrals.

As discussed previously, persons providing investment advice on behalf of our firm who are registered representatives of SagePoint Financial, Inc. will recommend SagePoint Financial, Inc. to you for brokerage services. This arrangement requires us to offer you advisory services and programs



sponsored or approved by SagePoint. SagePoint sets limits on how much we can charge you for these advisory services. Some advisory programs have higher fee limits than others. As such, there may be an incentive for us to recommend to you advisory services or programs with higher limits. In addition, SagePoint may charge us certain usage fees and expenses to use their advisory programs which may decrease the amount of money we make when offering investment advice to you. Therefore, there may be an incentive to provide you with advisory programs and services that may be cheaper for us to use but not as suitable to your needs as other advisory programs that SagePoint sponsors which may be more expensive for us to use.

While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

Legacy Financial Group and its representatives has an incentive to join and remain affiliated with SagePoint through certain compensation arrangements which could include bonuses, enhanced payouts, forgivable loans and/or business transition loans. Receiving such compensation is considered a conflict of interest. We encourage you to review this ADV closely and discuss any potential conflicts of interest with your representative.

SagePoint can issue payments in the form of loans to representatives which can be forgivable based on years of service with SagePoint. This practice can create a conflict of interest because the representative can have a financial incentive to recommend a client engage SagePoint for brokerage services in order for the loan to be forgiven. However, if you engage Legacy Financial Group for an adviser managed account, your representative will obtain the necessary financial data from you, assist you in determining suitability for the account and help you set appropriate investment objectives. Your representative will then be able to purchase and sell securities in accordance with your investment objectives. Legacy Financial Group periodically reviews advisory accounts to ensure suitability and adherence to investment objectives. Please consult with your representative if you have questions regarding this issue.

### **Other Compensation**

We receive compensation from Third Party Advisers for referring clients to them. This arrangement will not cause you to pay more in advisory fees than you would otherwise pay had there been no solicitor's compensation. All referral fees paid to our firm represent a portion of the fees actually charged to you by Third Party Adviser for investment advisory services. There is no differential between the amount or level of investment advisory fees that Third Party Adviser will charge for managing the client account(s) in excess of that which they would customarily charge for managing any other new client's account with similar assets and which was not referred to the Third Party Adviser by our firm.

Additionally, with respect to the Third Party Adviser Services Platform, Legacy Financial Group may, subject to negotiation with these service platform, receive certain allowances, reimbursements or services from these services platforms in connection with Legacy Financial Group's investment advisory services to its clients, as described below and in further detail in the Third Party Adviser Form ADV Part 2A or Appendix 1 of the Third Party Adviser Platform Disclosure Brochure.

The Third Party Adviser Services Platform's offer Business Development Allowance program, where Legacy Financial Group may receive a quarterly business development allowance for reimbursement of qualified marketing/practice development expenses incurred by the Financial Adviser. These amounts vary depending on the value of the assets on the Third Party Adviser Services Platform held by Clients of the Financial Adviser.

## Item 15 Custody

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other qualified custodian. You will receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

## Item 16 Investment Discretion

We may manage your accounts on a discretionary basis upon obtaining your consent. Your consent is typically granted and evidenced in the client agreement that you signed with us. We define discretion as: the ability to trade your account, without obtaining your prior consent, the securities and amount of securities to be bought or sold, and the timing of the purchase or sale. It does not extend to the withdrawal or transfer of your account funds.

We do not permit clients to impose any restrictions on a grant of discretionary authority. Refer to the *Advisory Business* section in this brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

As noted above in Item 4-Advisory Business, we gather information about your financial situation and objectives, then we will recommend that you engage a specific third party money manager ("TPMM"). Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the following: the TPMM's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will periodically monitor the TPMM(s)'s performance to ensure its management and investment style remains aligned with your investment goals and objectives. We assist in automatic rebalancing of an account through purchase and sale transactions based on changes made to the asset allocation models by the Portfolio Strategist selected by the client.

## Item 17 Voting Client Securities

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

## Item 18 Financial Information

Our firm does not have any financial conditions or impairments that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$500 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.

We have not filed a bankruptcy petition at any time in the past ten years.

## Item 19 Requirements for State-Registered Advisers

Refer to the Part(s) 2B for background information about our principal executive officers, management personnel and those giving advice on behalf of our firm.

Our firm is not actively engaged in any business other than giving investment advice that is not already disclosed above.

Neither our firm, nor any persons associated with our firm are compensated for advisory services with performance-based fees. Refer to the *Performance-Based Fees and Side-By-Side Management* section above for additional information on this topic.

Neither our firm, nor any of our management persons have any reportable arbitration claims, civil, self-regulatory organization proceedings, or administrative proceedings.

Neither our firm, nor any of our management persons have a material relationship or arrangement with any issuer of securities.

### State of California Required Disclosures

All material conflicts of interest under CCR Section 260.238 (k) are disclosed regarding the investment adviser, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

While the firm endeavor at all times to offer clients its specialized services at reasonable costs, the fees charged by other advisers for comparable services may be lower than the fees charged by Legacy Financial Group

### Financial Planning Services

Pursuant to California Code of Regulations, 10 CCR Section 260.235.2, Legacy Financial Group hereby makes the following statement: a conflict exists between the interest of Legacy Financial Group and the interests of the client. Further, the client is under no obligation to act upon Legacy Financial Group's recommendations, and if the client elects to act on any of the recommendations, the client is under no obligation to effect the transactions through Legacy Financial Group.

## Item 20 Additional Information

### Your Privacy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any non-public personal information about you to any non-affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to non-public personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your non-public personal information and to ensure your integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

If you decide to close your account(s) we will adhere to our privacy policies, which may be amended from time to time.

If we make any substantive changes in our privacy policy that would further permit or require disclosures of your private information, we will provide written notice to you. Where the change is based on permitted disclosures, you will be given an opportunity to direct us as to whether such disclosure is acceptable. Where the change is based on required disclosures, you will only receive written notice of the change. You may not opt out of the required disclosures.

If you have questions about our privacy policies contact our main office at the telephone number on the cover page of this brochure and ask to speak to the Chief Compliance Officer.

### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

### **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

### **IRA Rollover Considerations**

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
  - a. Employer retirement plans generally have a more limited investment menu than IRAs.
  - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
  - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
  - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
  - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.

**Donald E. Tanaka**

**Legacy Financial Group, LLC**

**990 W. 190 Street, Suite 520  
Torrance, CA 90502**

**Tel.: (310) 756-1700  
Fax: (310) 756-1710**

**May 12, 2020**

**FORM ADV PART 2B  
BROCHURE SUPPLEMENT**

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This brochure supplement provides information about Donald E. Tanaka that supplements the Legacy Financial Group, LLC brochure. You should have received a copy of that brochure. Please contact us at (310) 756 -1700 if you did not receive Legacy Financial Group, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Donald E. Tanaka (CRD # 4553408) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 Educational Background and Business Experience

**Donald E. Tanaka**

*Year of Birth:* 1956

*Formal Education after High School:*

- Western Illinois University, attended 1974 - 1976
- University of Illinois, BS, Mechanical Engineering 1976 - 1978
- University of Southern California, MBA, 1982 - 1985

*Business Background for the Previous Five Years:*

- Legacy Financial Group, Member/Chief Compliance Officer 11/2005 - Present
- Legacy Financial Group, Director of Special Projects 07/2001 - 11/2005
- Sagepoint Financial, Inc., Registered Representative 10/2005 - Present

## Item 3 Disciplinary Information

Donald E. Tanaka does not have any reportable disciplinary events.

## Item 4 Other Business Activities

Donald E. Tanaka is a registered representative with Sagepoint Financial, Inc ("SagePoint"). SagePoint is a diversified financial services company engaged in the sale of specialized investment products. In this capacity, Donald E. Tanaka is licensed to offer and sell securities as well as supervise the securities activities conducted by Mr. Day and Ms. Tanaka through SagePoint. Currently, Mr. Tanaka does not engage in securities sales activities, but rather spends the vast majority of his time on compliance, supervision and back office functions.

Donald E. Tanaka is also separately licensed as an independent insurance agent. In this capacity, he is licensed to sell insurance products; however, as stated above, he is currently not involved in client recommendations or insurance sales activities. Any such activities, would be conducted by Ray Day or Melanie Tanaka, as disclosed in their respective Part 2B supplements.

Our Firm will endeavor at all times to place your interests first when making recommendations regarding insurance and investments and you are under no obligation to purchase either insurance or investment products through any person affiliated with our firm.

Please refer to the *Fees and Compensation* section and the *Client Referrals and Other Compensation* section of Legacy Financial Group, LLC's firm brochure for additional disclosures on this topic.

## Item 5 Additional Compensation

Mr. Tanaka Please refer to the *Other Business Activities* section above for disclosures on Donald E. Tanaka's receipt of additional compensation as a result of his activities as a registered representative of SagePoint and a licensed insurance agent.



## **Item 6 Supervision**

Mr. Tanaka does not provide investment advice or any other type of advisory service to clients directly. As Member and Chief Compliance officer of Legacy Financial Group, LLC, Mr. Tanaka is primarily responsible for compliance, development and management of the back office operations, including computer and the Internet systems, accounting, business plans and business operations.

## **Item 7 Requirements for State Registered Advisers**

Donald E. Tanaka does not have any reportable arbitration claims, has not been found liable in a reportable civil, self-regulatory organization or administrative proceeding, and has not been the subject of a bankruptcy petition.



**Melanie C. Tanaka, CFP®**

**Legacy Financial Group, LLC**

**990 W. 190 Street, Suite 520  
Torrance, CA 90502**

**Tel.: (310) 756-1700  
Fax: (310) 756-1710**

**March 30, 2020**

**FORM ADV PART 2B  
BROCHURE SUPPLEMENT**

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This brochure supplement provides information about Melanie Carol Tanaka that supplements the Legacy Financial Group, LLC brochure. You should have received a copy of that brochure. Please contact (310) 756-1700 if you did not receive Legacy Financial Group, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Melanie C. Tanaka is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable CRD number for Melanie C. Tanaka is 2084929.

## Item 2 Educational Background and Business Experience

### Melanie Carol Tanaka

*Year of Birth:* 1961

*Formal Education after High School:*

- California State University, BS, Business Administration, 1987 - 1990

*Business Background for the Previous Five Years:*

- Legacy Financial Group, LLC, Managing Member, 11/2005 - Present  
Investment Adviser Representative, 10/2001 - Present
- SagePoint Financial Inc./Formerly AIG Financial Advisors, Inc./Formerly SunAmerica Securities, Inc., Registered Representative, 10/1991 - Present, Registered Principal, 09/2001 - Present

*Certifications:*

- Certified Financial Planner™, 1996

**The CERTIFIED FINANCIAL PLANNER™**, CFP® and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education - Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination - Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience - Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics - Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education - Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics - Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

### Item 3 Disciplinary Information

Melanie C. Tanaka does not have any legal or disciplinary disclosure.

### Item 4 Other Business Activities

Melanie C. Tanaka is a registered representative with Sagepoint Financial, Inc. ("SagePoint"). SagePoint is a diversified financial services company engaged in the sale of specialized investment products. In this capacity, Melanie C. Tanaka may recommend securities products offered by SagePoint as part of your investment portfolio. If clients purchase these products through Melanie C. Tanaka, she will receive the customary commissions in her separate capacity as registered representatives of SagePoint. Additionally, Melanie C. Tanaka may receive 12b-1 fees from mutual funds that pay such fees. Melanie C. Tanaka is also separately licensed as an independent insurance agent. In this capacity, she may affect transactions in insurance products for her clients and earn commissions for these activities. Please note that fees paid to our firm for advisory services are separate and distinct from commissions earned by Melanie C. Tanaka for insurance related activities.

This receipt of additional compensation may provide an incentive to recommend investment products based on the external factors such as compensation received. We will endeavor at all times to place your interests first when making recommendations regarding insurance and investments and you are under no obligation to purchase either insurance or investment products through any person affiliated with our firm.

Please refer to the *Fees and Compensation* section and the *Client Referrals and Other Compensation* section of Legacy Financial Group, LLC's firm brochure for additional disclosures on this topic.

### Item 5 Additional Compensation

Legacy Financial Group and its representatives has an incentive to join and remain affiliated with SagePoint through certain compensation arrangements which could include bonuses, enhanced pay-outs, forgivable loans and/or business transition loans. Receiving such compensation is considered a conflict of interest.

SagePoint issued payments in the form of loans to Melanie Tanaka which can be forgivable only based upon Melanie Tanaka's continued affiliation with SagePoint, with no production requirement.

Please refer to the *Other Business Activities* section above for disclosures on Melanie Carol Tanaka's receipt of additional compensation as a result of her activities as a registered representative of SagePoint and a licensed insurance agent.

## **Item 6 Supervision**

Donald E. Tanaka, CCO, is responsible for supervising the advisory activities of Legacy Financial Group LLC. Donald E. Tanaka can be reached at (310) 756-1700.

## **Item 7 Requirements for State Registered Advisers**

Melanie C. Tanaka does not have, or has ever had, any reportable arbitration claims, has not been found liable in a reportable civil, self-regulatory organization or administrative proceeding, and has not been the subject of a bankruptcy petition.

**Ray Day, CFP®**

**Legacy Financial Group, LLC**

**990 W. 190 Street, Suite 520  
Torrance, CA 90502**

**Tel.: (310) 756-1700  
Fax: (310) 756-1710**

**April 13, 2012**

**FORM ADV PART 2B  
BROCHURE SUPPLEMENT**

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This brochure supplement provides information about Ray Day that supplements the Legacy Financial Group, LLC brochure. You should have received a copy of that brochure. Please contact (310) 756-1700 if you did not receive Legacy Financial Group, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Ray Day is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable CRD number for Ray Day is 1085188.

## Item 2 Educational Background and Business Experience

### Ray Day

*Year of Birth:* 1943

*Formal Education after High School:*

- Georgia Tech, Bachelors, Electrical Engineering, 1961 - 1966
- University of Santa Monica, Masters, Psychology, 1997 - 1999

*Business Background for the Previous Five Years:*

- Legacy Financial Group, LLC, Managing Member, 07/2001 - 11/2005  
Managing Director, 11/2005 - Present
- SagePoint Financial Inc./Formerly AIG Financial Advisors, Inc./Formerly SunAmerica Securities, Inc., Registered Representative, 01/1991 - Present

*Certifications:*

- Registered Financial Consultant, 1995
- Certified Financial Planner™, 1987

The Registered Financial Consultant designation is issued by the International Association of Registered Financial Consultants ('IARFC') and is granted to individuals who have met all of the following requirements: (a) possess an undergraduate or graduate financial planning degree, or has earned one of the following designations: AAMS, AEP, CEP, CFA, CFP, ChFC, CLU, CPA, EA, LUTC, MS, MBA, JD, Ph.D, or completed a CFP equivalent, IARFC-approved college curriculum; (b) if operating on a commission basis, must meet licensing requirements for securities and life and health insurance; if operating strictly as fee-only and not licensed, then must be registered as an investment adviser, and (c) four years full time experience as a financial planning practitioner or educator in the field of financial planning or financial services. The individual must complete approved college curriculum in personal financial planning or an IARFC self-study course (with a final certification examination). The individual is required to take 40 hours of continuing education in the field of personal finance and professional practice management every year, must complete an IARFC approved CE course or curriculum on operational ethics and standards of conduct every two years, and must provide evidence that the member can produce a high-quality personal financial plan.

**The CERTIFIED FINANCIAL PLANNER™**, CFP® and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education - Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a

foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;

- Examination - Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience - Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics - Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education - Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics - Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP professionals provide financial planning services at a fiduciary standard of care. This means CFP professionals must provide financial planning services in the best interests of their clients.

### Item 3 Disciplinary Information

Ray Day does not have any material legal or disciplinary events to disclose.

### Item 4 Other Business Activities

Ray Day is a registered representative with Sagepoint Financial, Inc ("SagePoint"). SagePoint is a diversified financial services company engaged in the sale of specialized investment products. In this capacity, Ray Day may recommend securities products offered by SagePoint as part of your investment portfolio. If you purchase these products through Ray Day, he will receive the customary commissions in his separate capacity as 1registered representative of SagePoint. Additionally, Ray Day receives 12b-1 fees from mutual funds that pay such fees. Ray Day is separately licensed as an independent insurance agent. In this capacity, he may effect transactions in insurance products for his clients and earn commissions for these activities. Please note that fees paid to our firm for advisory services are separate and distinct from the commissions earned by Ray Day for insurance related activities.

This receipt of additional compensation may give an incentive to recommend investment products based on external factors such as compensation received. We will endeavor at all times to place your interests first when making recommendations regarding insurance and investments and you are under no obligation to purchase either insurance or investment products through any person affiliated with our firm.

Please refer to the *Fees and Compensation* section and the *Client Referrals and Other Compensation* section of Legacy Financial Group, LLC's firm brochure for additional disclosures on this topic.

## **Item 5 Additional Compensation**

Please refer to the *Other Business Activities* section above for disclosures on Ray Day's receipt of additional compensation as a result of his activities as a registered representative of SagePoint and a licensed insurance agent.

## **Item 6 Supervision**

Donald E. Tanaka, CCO, is responsible for supervising the advisory activities of Legacy Financial Group LLC. Donald E. Tanaka can be reached at (310) 756-1700.

## **Item 7 Requirements for State Registered Advisers**

Ray Day does not have any reportable arbitration claims, has not been found liable in a reportable civil, self-regulatory organization or administrative proceeding, and has not been the subject of a bankruptcy petition.



**Ann A. Cooper, CFP®**

**Legacy Financial Group, LLC**

**990 West 190th Street  
Suite 520  
Torrance, CA 90502**

**Telephone: (310) 756-1700  
Facsimile: (310)756-1710**

**May 12, 2020**

**FORM ADV PART 2B  
BROCHURE SUPPLEMENT**

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This brochure supplement provides information about Ann Abel Cooper that supplements the Legacy Financial Group, LLC brochure. This brochure supplement provides information about Ann Abel Cooper that supplements the Legacy Financial Group, LLC brochure. You should have received a copy of that brochure. Please contact (310) 756-1700 if you did not receive Legacy Financial Group, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Ann Cooper (CRD # 6236774) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable CRD number for Ann A. Cooper is 6236774.

## Item 2 Educational Background and Business Experience

### Ann A. Cooper

*Year of Birth:* 1958

*Formal Education After High School:*

- University of Oregon, attended, 1976 - 1978
- Boston University, BS, Business Administration, 1979 - 1981
- California State University, Long Beach, MBA, 1987 - 1989
- University of California, Los Angeles, Certificate in Personal Financial Planning, 2009 - 2012

*Business Background:*

- Legacy Financial Group, LLC, Investment Adviser Representative, 01/2015 - Present
- SagePoint Financial, Inc., Registered Representative, 9/2013 - Present

*Certifications:*

- Certified Financial Planner™, 2016

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The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education - Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination - Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience - Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics - Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education - Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics - Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP professionals provide financial planning services at a fiduciary standard of care. This means CFP professionals must provide financial planning services in the best interests of their clients.

### Item 3 Disciplinary Information

Ann A. Cooper does not have any legal or disciplinary disclosure.

### Item 4 Other Business Activities

Ann Cooper is a registered representative with SagePoint Financial, Inc. ("SagePoint"). SagePoint is a diversified financial services company engaged in the sale of specialized investment products. In this capacity, Ann A. Cooper may recommend securities or insurance products offered by SagePoint as part of your investment portfolio. If you purchase these products through Ms. Cooper, she will receive the customary commissions in her separate capacity as a registered representative of SagePoint.

Additionally, Ann A. Cooper could be eligible to receive incentive awards such as SagePoint may offer. She may also receive 12b-1 fees from mutual funds that pay such fees. The receipt of additional compensation may give Ann A. Cooper an incentive to recommend investment products based on the compensation received, rather than on your investment needs.

Ann A. Cooper is separately licensed as an independent insurance agent. In this capacity, she can effect transactions in insurance products for her clients and earn commissions for these activities. The fees you pay our firm for advisory services are separate and distinct from the commissions earned by Ms. Cooper for insurance related activities. This presents a conflict of interest because Ms. Cooper may have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

Please refer to the Fees and compensation section and the *Client Referrals and Other Compensation* section of Legacy Financial Group, LLC's firm brochure for additional disclosure on this topic.

### Item 5 Additional Compensation

Please refer to the *Other Business Activities* section above for disclosure on Ann Abel Cooper's receipt of additional compensation as a result of her activities as a registered representative of SagePoint and a licensed insurance agent.

### Item 6 Supervision

Donald E. Tanaka, CCO, is responsible for supervising the advisory activities of Legacy Financial Group LLC. Donald E. Tanaka can be reached at (310) 756-1700.

## **Item 7 Requirements for State Registered Advisers**

Ann A. Cooper does not have, or has ever had, any reportable arbitration claims, has not been found liable in a reportable civil, self-regulatory organization or administrative proceeding, and has not been the subject of a bankruptcy petition.

**Matthew J. Drehs**

**Legacy Financial Group, LLC**

**990 West 190th Street  
Suite 520  
Torrance, CA 90502**

**Telephone: 310-756-1700  
Facsimile: 310-756-1710**

**May 12, 2020**

**FORM ADV PART 2B  
BROCHURE SUPPLEMENT**

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This brochure supplement provides information about Matthew J. Drehs that supplements the Legacy Financial Group, LLC brochure. You should have received a copy of that brochure. Contact us at 310-756-1700 if you did not receive Legacy Financial Group, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Matthew J. Drehs (CRD # 3107541) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 Educational Background and Business Experience

### Matthew J. Drehs

*Year of Birth:* 1981

*Formal Education After High School:*

- Marymount College, AA
- University of Southern California, BS Business

*Business Background:*

- Legacy Financial Group, LLC, Investment Adviser Representative, 12/2016 - Present
- SagePoint Financial, Inc., Registered Representative 12/2016 - Present
- H.D. VEST Investment Services, Inc., Registered Representative, 2/2012 - 12/2016
- H.D. VEST Advisory Services, Inc., Advisory Representative, 2/2012 - 12/2016
- Bank of America, N.A., Financial Advisor, 5/2011 - 1/2012
- Merrill Lynch, Pierce, Fenner & Smith Inc., Financial Advisor 12/2008 - 1/2012

*Certifications:*

- The Chartered Retirement Planning Counselor - (CRPC)

**The Chartered Retirement Planning Counselor (CRPC)** are professional certification marks granted in the United States by the College for Financial Planning to individuals who complete a study program and pass a final multiple-choice examination.

The CRPC program is developed with a focus on client-centered problem solving. Applicants gain in-depth knowledge of individuals' needs both before and after retirement. The study program to become a CRPC covers the entire retirement planning process, including meeting multiple financial objectives, sources of retirement income, personal savings, employer-sponsored retirement plans, income taxes, retirement cash flow, asset management, estate planning and more.

Currently, more than 26,000 individuals have obtained CRPC certification in the United States.

Individuals who become certified must complete continuing education requirements of 16 hours every two years. Areas of study include the pre-and post-retirement needs of individuals, including courses on estate planning and asset management. CRPC designees must also sign a code of ethics commitment.

## Item 3 Disciplinary Information

Matthew J. Drehs does not have any legal or disciplinary disclosure.

## Item 4 Other Business Activities

Matthew J. Drehs is a registered representative with SagePoint Financial, Inc. ("SagePoint"). SagePoint is a diversified financial services company engaged in the sale of specialized investment products. In this capacity, Matthew J. Drehs may recommend securities or insurance products offered by SagePoint as part of your investment portfolio. If you purchase these products through Mr. Drehs, he will receive the customary commissions in his separate capacity as a registered representative of SagePoint.



Additionally, Mr. Drehs could be eligible to receive incentive awards such as SagePoint Financial may offer. He may also receive 12b-1 fees from mutual funds that pay such fees. The receipt of additional compensation may give Mr. Drehs an incentive to recommend investment products based on the compensation received, rather than on your investment needs.

Matthew J. Drehs is separately licensed as an independent insurance agent. In this capacity, he can effect transactions in insurance products for his clients and earn commissions for these activities. The fees you pay our firm for advisory services are separate and distinct from the commissions earned by Mr. Drehs for insurance related activities. This presents a conflict of interest because Mr. Drehs may have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

## **Item 5 Additional Compensation**

Please refer to the Other Business Activities section above for disclosure on Matthew J. Drehs's receipt of additional compensation as a result of his activities as a registered representative of SagePoint and a licensed insurance agent.

## **Item 6 Supervision**

Donald E. Tanaka, CCO, is responsible for supervising the advisory activities of Legacy Financial Group, LLC. Donald E. Tanaka can be reached at (310) 756-1700.

## **Item 7 Requirements for State Registered Advisers**

Matthew J. Drehs does not have any reportable arbitration claims, has not been found liable in a reportable civil, self-regulatory organization or administrative proceeding, and has not been the subject of a bankruptcy petition.

**Judith A. Gerhart, CFP®, CDFA®**

**Legacy Financial Group, LLC**

**990 West 190th Street  
Suite 520  
Torrance, CA 90502**

**Telephone: 310-756-1700  
Facsimile: 310-756-1710**

**March 26, 2020**

**FORM ADV PART 2B  
BROCHURE SUPPLEMENT**

This brochure supplement provides information about Judith A. Gerhart that supplements the Legacy Financial Group brochure. You should have received a copy of that brochure. Contact us at 310-756-1700 if you did not receive Legacy Financial Group's brochure or if you have any questions about the contents of this supplement.

Additional information about Judith A. Gerhart (CRD # 1842672) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 Educational Background and Business Experience

**Judith A. Gerhart, CFP®, CDFA®**

*Year of Birth:* 1946

*Formal Education After High School:*

- Indianapolis University, Attended, 1964 - 1965
- Indiana University, Attended, 1965 - 1967
- De Paul University, Chicago, BS Business Education, 1969
- De Paul University, Chicago, MS Business Education, Minor in Business Administration, 1969
- Southeastern University, Fort Lauderdale, Florida, Ed.D, 1976

*Business Background:*

- Legacy Financial Group, LLC, Investment Adviser Representative, 1/2020 - Present
- Sagepoint Financial, Inc., Registered Representative; Investment Adviser Representative, 10/2005 - Present
- Gerhart Group, Owner/Agent, 6/2005 - Present

*Certifications:* **CFP®, CDFA®**

**The CERTIFIED FINANCIAL PLANNER™, CFP®** and federally registered CFP® (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 71,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education - Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination - Pass the comprehensive CFP® Certification Examination. The examination includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience - Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics - Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education - Complete 30 hours of continuing education hours every two years,

including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and

- Ethics - Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

### **Certified Divorce Financial Analyst (CDFA®)**

The Certified Divorce Financial Analyst LLC offers a credential for financial professionals in the divorce arena. A candidate must successfully complete four exams based on the Certified Divorce Financial Analyst Self-Study course, be in good standing with his or her firm, broker/dealer and/or governmental regulation agencies, and complete 15 hours of continuing education courses every two years.

## **Item 3 Disciplinary Information**

Judith A. Gerhart does not have any legal or disciplinary disclosure.

## **Item 4 Other Business Activities**

Judith A. Gerhart is a Registered Representative with Sagepoint Financial, Inc. Sagepoint Financial, Inc. is a diversified financial services company engaged in the sale of specialized investment products. In this capacity, Ms. Gerhart may recommend securities or insurance products offered by Sagepoint Financial, Inc. as part of your investment portfolio. If you purchase these products through Ms. Gerhart, she will receive the customary commissions in her separate capacity as a Registered Representative of Sagepoint Financial, Inc.

Additionally, Ms. Gerhart could be eligible to receive incentive awards such as Sagepoint Financial, Inc. may offer. She will also receive 12b-1 fees from mutual funds that pay such fees. The receipt of additional compensation will give Ms. Gerhart an incentive to recommend investment products based on the compensation received, rather than on your investment needs.

As stated above, persons providing investment advice to advisory clients on behalf of our firm are registered representatives with Sagepoint Financial, Inc. In their capacity as registered representatives, these persons receive compensation in connection with the purchase and sale of securities or other investment products, including asset-based sales charges, service fees or 12b-1 fees for the sale or holding mutual funds. Compensation earned by these persons in their capacities as registered representatives is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice to advisory clients on behalf of our firm who are registered representatives have an incentive to recommend investment products based on the compensation received rather than solely based on your needs. Persons providing investment advice to advisory clients on behalf of our firm can select or recommend, and in many instances will select or recommend, mutual fund investments in share classes that pay 12b-1 fees when clients are eligible to purchase share classes of the same funds that do not pay such fees and are less expensive. This presents a conflict of interest. You are under no obligation, contractually or otherwise, to purchase securities products through a person affiliated with our firm.

Judith A. Gerhart is separately licensed as an independent insurance agent. In this capacity, she can effect transactions in insurance products for her clients and earn commissions for these activities. The fees you pay our firm for advisory services are separate and distinct from the commissions earned by Ms. Gerhart for insurance related activities. This presents a conflict of interest because Ms. Gerhart may have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

Judith A. Gerhart is an Investment Adviser Representative of Sagepoint Financial, Inc., a registered investment adviser. When appropriate, Ms. Gerhart may recommend that you use the investment advisory services of Sagepoint Financial, Inc. If you utilize the advisory services of Ms. Gerhart through Sagepoint Financial, Inc., she may receive additional fees or other compensation in her capacity as an investment adviser representative. These fees would be in addition to any fees charged for the advisory services provided through Legacy Financial Group.

Judith A. Gerhart is Owner of Gerhart Group, a divorce consulting firm. Ms. Gerhart's duties as the Owner of Gerhart Group do not create a conflict of interest to her provision of advisory services through Legacy Financial Group.

## **Item 5 Additional Compensation**

Please refer to the *Other Business Activities* section above for disclosures on Ms. Gerhart's receipt of additional compensation as a result of her other business activities.

## **Item 6 Supervision**

Donald E. Tanaka, CCO, is responsible for supervising the advisory activities of Legacy Financial Group, LLC. Donald E. Tanaka can be reached at (310) 756-1700.

## **Item 7 Requirements for State Registered Advisers**

Judith A. Gerhart does not have any reportable arbitration claims, has not been found liable in a reportable civil, self-regulatory organization or administrative proceeding, and has not been the subject of a bankruptcy petition.