

**Item 1 Cover Page**



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This brochure provides information about the qualifications and business practices of Legacy Consulting Group. It is prepared pursuant to regulatory requirements. If you have any questions about the contents of this brochure, please contact us at the phone number or website listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Legacy Consulting Group is a registered investment adviser with the SEC under the Investment Advisers Act of 1940 (the "Advisers Act"). However, such registration does not imply a certain level of skill or training. Additional information about Legacy Consulting Group is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Dated: March 28, 2021**

## Item 2 Material Changes

The purpose of this Item 2 is to provide clients with a summary of material changes that are made to this brochure since the last annual update.

### Summary of Material Changes:

On March 28, 2021, we submitted our annual updating amendment filing for fiscal year 2020 and updated Item 4 of our Form ADV Part 2A Brochure to disclose discretionary assets under management of approximately \$269,024,885 and non-discretionary assets under management of approximately \$14,352,794.

When the CARES Act was enacted as a result of the Coronavirus (COVID-19) pandemic, it made forgivable SBA loans available to small businesses that intended to use it for payroll, rent and utilities during a brief 8-week period following acquisition of the loan. With the uncertainty as to how long the economic shutdown might last, the unknown implications of the impact of this pandemic, and being responsible business owners with a focus on serving our clients, we made the decision to take advantage of the funds made available to our firm by the government. Therefore, since our last annual filing on March 21, 2020 we have the following material changes to report on our Form ADV Part 2:

On April 29, 2020 our firm received a Paycheck Protection Program (“PPP”) Loan through the SBA in conjunction with the relief afforded from the CARES Act. The firm used the PPP for qualifying payroll, rent and utilities expenses and the firm did not suffer any interruption of service. This helped our team members to focus and continue to work hard to serve the needs of our clients during these uncertain times. These loans are eligible for forgiveness, but forgiveness is based on factors such as being used for payroll and overhead of the firm. For more information please refer to Item 14 of our Brochure.

### **Full Brochure Available**

If you would like to receive a complete copy of our Form ADV Part 2 Brochure, please contact Jen Boling, Operations Manager at 972.599.4750 or [jboling@legacyconsultinggroup.com](mailto:jboling@legacyconsultinggroup.com).

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## Item 4 Advisory Business

### INTRODUCTION

Legacy CG, LLC, DBA Legacy Consulting Group, LLC (“LCG”) is a Registered Investment Advisory firm registered with the U.S. Securities and Exchange Commission (SEC) since April 20, 2000. We are noticed filed in our home state of Texas which means we are authorized to do business in this state. We may conduct business in other states by claiming an exemption from registration. Our registration as an Investment Adviser does not imply any level of skill or training. The oral and written communications we provide you, including this Brochure, is information you can use to evaluate us and other advisers, which are factors in your decision to hire us or to continue to maintain a mutually beneficial relationship. This Brochure provides information about our qualifications and business practices.

### OWNERSHIP

Legacy Consulting Group, LLC, is a limited liability company. As of January 1, 2021, ownership of LCG is as follows: Steven G. Wachs 41.5%, Roger A. Shake 41.5% held through a personal trust, Matthew Quinn 5%, Jennifer Schmitt 5% held through a personal trust, Jennifer Boling 5%, and Kimberly Durdin 2%. Steven G. Wachs is President and Chief Compliance Officer, and Roger A. Shake is Vice President, Secretary and Treasure.

### ADVISORY SERVICES OFFERED

LCG is an investment advisory firm providing:

- Portfolio Management Services
- Financial Life Planning Services
- Special Project and Review & Consulting Services

Our service constitutes an ongoing process by which:

- a) Your investment objectives, constraints and preferences are identified and specified;
- b) Your strategies are developed and implemented through a combination of financial assets;
- c) Capital market conditions and your circumstances are monitored; and
- d) Portfolio adjustments are made as appropriate to reflect changes to any or all the above relevant variables.

### PORTFOLIO MANAGEMENT SERVICES:

We provide portfolio management services on either a discretionary or non-discretionary basis. Our portfolio management program is designed to provide you with the appropriate asset allocation, diversification, and risk characteristics consistent with portfolio management. Customized portfolio management services include portfolio design, quantitative and qualitative analysis, buy and sell

recommendations, and portfolio rebalancing. The portfolio may include, but is not limited to, certain mutual funds purchased at net asset value (NAV) without paying any sales load. Selected stocks, exchange traded funds, bonds, and other securities can also be bought and sold.

On a discretionary basis, we design, revise and rebalance a custom portfolio for you. Investment allocations are determined based upon your investment objectives, risk tolerance, investment time horizon, tax situation and other various suitability factors.

On a non-discretionary basis, we provide periodic recommendations to you and if such recommendations are approved, we will ensure that the authorized recommendations are carried out.

Custody of your accounts for both securities and funds will be maintained at a qualified designated custodian and clearing firm. Custody of client accounts for both securities and funds will be maintained at TD Ameritrade Institutional, a division of TD Ameritrade, Inc. Member FINRA/SIPC, or other Trust companies.

#### **FINANCIAL LIFE PLANNING SERVICES:**

Designed to help you define what you want out of your life, and how your financial situation can be adjusted so that you can lead a happier, more inspired, fulfilling life. Depending on your situation, the scope of the service can be limited or very broad. Areas that are typically covered include identification of life goals and objectives, an estimate of assets, liabilities and net worth, investment portfolio analysis, financial independence, retirement income needs, income tax situation review, disability and capital needs analysis, education funding needs and an estimate of estate value and settlement costs.

On a broader scale, the plan may include advanced planning strategies to help you maximize your financial, social, and personal wealth. These planning features are designed to help minimize estate taxes, transfer assets to future generations, and provide for philanthropic and social causes of interest while retaining control and/or use of assets for your lifetime.

We gather the required information through in-depth personal interviews. Information gathered includes a current financial status, future goals, and attitudes towards risk. Related documents supplied by you and a completed questionnaire are carefully reviewed and a written report is prepared. Implementation of the prepared plan or recommendations is solely at your discretion and will also determine how you want to implement the plan or recommendations.

#### **Standard of Care Planning:**

Implementing your Financial Life Plan is essential to achieving your goals. Equally important is the need to take periodic measurements to determine your progress while maintaining the flexibility to respond to changes that occur in each situation. Our Standard of Care (SOC) meetings will involve an ongoing rotation of reviewing your Estate Planning, Risk/Insurance Management, Life Goals, Financial Independence and Wealth Management objectives, and Investment Risk Assessment. Depending on the

complexity of the Client's situation, we will meet with you on a monthly, quarterly, semi-annual, annual, or in some cases, a less frequent basis.

**SPECIAL PROJECTS:**

From time to time, you may need assistance with special projects. This could involve, but is not limited to, projects such as estate settlement issues, divorce, and separation of assets consultation, set up of retirement plans, discussion and implementation of charitable gifting strategies, business consulting, etc.

**ASSETS UNDER MANAGEMENT:**

As of December 31, 2020, we manage discretionary assets under management of \$269,024,885 and non-discretionary assets under management of \$14,352,794.

**Item 5 Fees and Compensation**

**PORTFOLIO MANAGEMENT PROGRAM FEE SCHEDULE:**

In exchange for our portfolio management services described, you will pay an annualized fee according to the following schedule:

<u>Account Balances</u>	<u>Annual Charge</u>
Of the first \$1,000,000	1.00%
Of the next \$500,000	0.95%
Of the next \$500,000	0.90%
Of the next \$3,000,000	0.80%
Of the next \$2,000,000	0.75%
Over \$7,000,000	Negotiable

All stated fees are intended as standards and may in some cases be subject to negotiation when, in our opinion such negotiation is in the best interest of all parties involved.

Portfolio Management fees listed above will be directly deducted from your account at the custodian quarterly in advance following the end of the quarter. We send the qualified custodian written notice of the amount of the fee to be deducted from your account(s).

The first payment will be based on the opening value of the account. The fee will be prorated for the remaining days in the quarter. Subsequent fees will be determined, based on the value of the account assets under management as of the close of business on the last business day of the prior quarter. Prorated fee adjustments will be made for any deposits or withdrawals over \$25,000.

At your request, we shall provide written notice/invoice documentation reasonably supporting the determination of the investment advisor fees. The Custodian will send to you either a paper or electronic monthly account statement that shows the amount of our advisory fee. If statements are not received, contact us immediately.

You are advised that you may pay your proportionate share of the fund's management and administrative fees. The mutual funds available through the portfolio management program is also available directly from the Funds, and without the additional ongoing fees of this program.

**Additional Types of Fees or Expenses:**

Custodian may charge transactions cost. These are not considered commissions. There are clearing costs charged by the designated clearing firm on the account. In addition, the custodian may charge a Non-Standard Asset (NSA) fee to purchase and provide custody for Non-Liquid Assets. We may elect at our option to bear the cost of transactions under certain circumstances. Portfolio Management fees do not include cost of custodial services for individual retirement accounts or qualified retirement plans.

**Termination:**

You will receive a prorated refund of any pre-paid quarterly fee, based upon the number of days remaining in the quarter after the termination date. No fee adjustments will be made for Account appreciation or depreciation.

The Agreement may be terminated at any time, by either party immediately upon receipt of 30 days' prior written notification from one party to the other. In the case that we receive written notice of the termination of the Agreement, we to the best of our ability will fulfill any specific instructions in the written notice.

**FINANCIAL LIFE PLANNING FEE SCHEDULE:**

The fee for Financial Life Planning is as follows:

- Year one planning fee is \$3,000 per quarter. The first quarterly payment is due upon execution of an Advisory agreement. Year one typically involves five (5) meetings and requires a higher level of time and planning team involvement.
- Year two planning fee is reduced to \$1,500 per quarter. Year two involves at least two (2) meetings for continued planning, implementation, and follow up of the appropriate strategies.
- Year three begins our Standard of Care (SOC) planning. This is billed at an ongoing rate of \$750 per quarter. In limited situations, both the meeting schedule and amount may be modified.

**SPECIAL PROJECTS FEE SCHEDULE:**

After discussion, determination, and definition of the project parameters, we will provide an estimated cost for the project. The project fee range is between \$250 and \$500 per hour based on which team members are involved.

**Other Compensation Received:**

Some of our Advisory Agents are registered representatives of Perryman Securities, Inc. (Member FINRA/SIPC). In this capacity, our advisory agents may sell securities through Perryman Securities, Inc. and receive normal and customary commissions as a result of such purchases and sales. This presents a conflict of interest to the extent that the advisory agent recommends that you invest in a security which results in a commission being paid to the advisory agent.

Some of our Advisory agents are also licensed insurance agents for various insurance companies. If you elect to implement the plan or buy insurance through us or our Advisory agents, then the agents would receive a commission from insurance sales, which includes life, accident, disability and fixed annuities. This presents a conflict of interest because they will receive a commission for these services, which is separate from the portfolio management, financial planning and other services provided. We have no single agreement with any agency or company, but will seek out the products of any company, agency or brokerage that may have products fitting our client's needs.

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

We do not charge performance-based fees, nor do we provide side by side management services.

**Item 7 Types of Clients****Client Base:**

Our client base consists of individuals, trusts, estates, charitable organizations, and other business entities. These are the types of clients that we service, but we may not have all these types as current clients.

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

Our customized portfolio management services are rooted in rigorous investment analysis and portfolio design, implementation, and rebalancing services. Combined, our research and analysis methods described in more detail below provide the foundation of our due diligence process. Due diligence



refers to the care that a reasonable person exercises to avoid harm to other persons. Since all investments have the potential for loss, we have developed a due diligence process that combines quantitative investment analysis with fundamental research and our own qualitative judgement based on decades of experience. Our overriding goal is to optimize longer term investment outcomes rather than maximize shorter term investment returns.

The core of most client investment portfolios is comprised of mutual funds, exchange traded funds (ETFs), and individual stocks. We utilize a variety of methods to analyze these investments for inclusion in client investment portfolios:

- Our **quantitative research** process focuses primarily on analyzing data provided by various third-party research platforms such as YCharts and Morningstar. This analysis not only focuses on various past time-period returns, but also looks at statistical characteristics of investments such as standard deviation, Sortino and Sharpe Ratios, and upside/downside capture ratios. For mutual funds and ETFs, we also look at underlying fund expenses and tax efficiency. The goal of this part of the due diligence process is to identify funds with characteristics we would be comfortable owning for the long term, have provided investors with favorable risk-adjusted returns, and can be implemented effectively from both a cost and after-tax standpoint.
- Our **qualitative research** process focuses more on the background of the investment firm, specific fund manager and a more in-depth review of the manager's strategy, philosophy, process, and positioning. We also review underlying allocations, diversification trends, and investment-specific risks. In addition, we consider how much the portfolio managers have invested in their own funds. While we receive most of this information by reviewing readily available fund reporting documents, we also generally request a due diligence questionnaire or proposal and set up a conference call to review the fund with a portfolio manager or specialist. We also seek to identify the types of investment environments that may be favorable for the manager.
- For individual stocks, we conduct more **technical analysis** to inform us about investor sentiment. Standard technical measures we evaluate include momentum (using 20-day and 200-day moving averages) and relative strength of individual stocks, we also conduct more **fundamental analysis** to inform us about quality and value. Quality focuses on a review of the company's balance sheet, profitability ratios, and growth potential. Value focuses on valuation multiples such as enterprise value to EBITDA and price to book value relative to the stock's past multiples and relative to industry peers. We have also developed a framework to evaluate individual stocks based on principles for responsible investment utilizing environmental, social, and governance (ESG) factors.

In terms of investment strategies, we work with clients to develop personalized investment plans based on their unique needs and circumstances. This includes a review of a client's risk tolerance, investment objectives, constraints, liquidity needs, and time horizon. While underlying client circumstances may be unique, we believe investment portfolios can be built around varying levels of risk tolerance and outcome priorities. As such, investment portfolios are generally anchored around five capital allocation models ranging from the most conservative (capital preservation) to the most aggressive (high growth). Focusing on risk also allows us to consider a wider range of investment strategies. While we have a

general preference for active investment strategies, we do consider passive strategies when and where appropriate.

We believe a more sophisticated capital allocation process should be driven by prospective longer-term return assumptions across the risk spectrum. Maintaining discipline should ultimately improve the quality of decisions and we believe ultimately leads to better long-term outcomes for investors. The capital allocation process today is complex, as investors have virtually an unlimited number of investment options to consider. General market sentiment can also move quickly from a risk-on to risk off market environment. While we are not market timers, at times we may pursue certain types of shorter term and tactical trading strategies.

We generally describe our portfolios as being progressive in nature. Progressive as an adjective describes something that is moving forward, happening or developing gradually over time, and is using or is interested in using new or modern ideas. In addition to following a longer-term investment approach and focusing on security specific risks, we seek to minimize the risk of loss associated with owning a limited number of securities by diversifying the portfolio among different types of assets. We also spend time analyzing correlations between various investments to optimize capital allocation decisions and utilize investment strategies that are non-correlated to further diversify risks within investment portfolios. In addition to more traditional investments such as stocks, bonds, and cash, we also use various alternative investment strategies. We believe this approach allows us to be more dynamic and opportunistic within a well-defined framework.

**Risk of Loss:**

The advice offered by our Firm to you is determined by the areas of expertise of the advisor providing the service and your stated objective. You are advised to notify us promptly if there are ever any changes in your financial situation or investment objective or if you wish to impose any reasonable restrictions upon our management services. If you wish to impose any reasonable restrictions upon our management services, you will need to advise us in writing of any restrictions.

We do not represent, warrant, or imply that the services or methods of analysis employed by us can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. All securities trading, whether in stocks, options, or other investment vehicles, is speculative in nature and involves substantial risk of loss that you should be prepared to bear. Past performance is not necessarily indicative of future results. You should make every effort to understand the risks involved.

All investments have the potential for profit or loss. Different types of investments involve higher and lower levels of risk. There is no guarantee that a specific investment or strategy will be profitable for an investor's portfolio. There are no assurances that an investment or strategy will match or exceed any benchmark. Performance returns for investments indexes and/or categories, usually do not deduct transaction and/or custodial charges or an advisory fee, which would decrease performance

results. Asset allocation and diversification will not necessarily improve an investor's return and cannot eliminate the risk of investment losses.

**The Principles Risks of Investing include, but are not limited to:**

**General Risks:** Your investments with us are not a deposit of a bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Accordingly, you may lose money by investing with us. When you sell your investments, they may be worth less than what you paid for them because the value of investments will fluctuate reflecting day-to-day changes in market conditions, interest rates and a number of other factors.

**Allocation Risk:** Our allocation of investments among different asset classes, such as equity or fixed-income assets classes, may have a more significant effect on your returns when one of these classes is performing more poorly than others.

**Market Risk:** Stock and bond markets often trade in random price patterns, and prices can fall over sustained periods of time. The value of the investments we make for you will fluctuate as the financial markets fluctuate. This could result in your account value(s) declining over short or long-term periods of time.

**Focused and Concentrated Portfolio Risks:** We may invest in non-diversified funds that take a focused or concentrated approach. Accordingly, the money that is managed in this manner may have more volatility and is often considered to have more risk than a strategy that invests in a greater number of securities because changes in the value of a single security may have a more significant effect, either negative or positive, on the portfolio value. Your assets are subject to greater risk of loss if any of those securities become permanently impaired.

**Equity Risk:** Your investments will be subjected to the risk that stock prices may fall over short or extended periods of time. Historically, the equity markets have moved in cycles, and the value of equity securities in your portfolio may fluctuate drastically from day to day. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies may suffer a decline in response. These factors will contribute to the volatility and risk of your assets.

**Special Situation Risk:** We may invest your assets in special situations. Investments in special situations may involve greater risks when compared to other strategies due to a variety of factors.

Expected changes may not occur, or transactions may take longer than originally anticipated, resulting in lower returns than contemplated at the time of investment. Additionally, failure to anticipate changes in the circumstances affecting these types of investments may result in permanent loss of capital, where we may be unable to recoup some or all of its investment.

**Foreign Securities Risk:** Foreign investments involve greater risk in comparison to domestic investments because foreign companies/securities: may have different auditing, accounting, and financial reporting standards; may not be subject to the same degree of regulation as U.S. companies, and may have less publicly available information than U.S. companies; and are often denominated in a currency other than the U.S. dollar.

**Currency Risk:** Your investments may be subject to currency risk. Currency fluctuations and changes in the exchange rates between foreign currencies and the U.S. dollar could negatively affect the value of your investments in foreign securities.

**Interest Rate Risk:** Your investments are subject to interest rate risk. Interest rate risk is the risk that the value of a security will decline because of a change in general interest rates. Investments subject to interest rate risk will usually decrease in value when interest rates rise. For example, fixed-income securities with long maturities typically experience a more pronounced change in value when interest rates change.

**Credit Risk:** Your investments are subject to credit risk. An investments credit quality depends on its ability to pay interest on and repay its debt and other obligations.

**Small- to Medium-Capitalization Risk:** We may invest your assets in small to medium sized companies. Shares of small to medium sized companies may have more volatile share prices. Furthermore, the securities of small to medium companies often have less market liquidity and their share prices can react with more volatility to changes in the general marketplace.

**Junk Bond/High-Yield Security Risk:** We may invest your assets in Junk Bonds or High-Yield, lower rated securities. Investments in fixed-income securities that are rated below Investment grade can be subject to greater risk of loss of principal and interest than investments in higher-rated fixed-income securities. The market for high yield securities may be less liquid than the market for higher-rated securities. High yield securities are also generally considered to be subject to greater market risk than higher-rated securities. The capacity of issuers of high yield securities to pay interest and repay principal is more likely to weaken than is that of issuers of higher-rated securities in times of deteriorating economic conditions or rising interest rates.

**Prepayment Risk:** Your investments may be subject to prepayment risk. Prepayment risk occurs when the issuer of a security can repay principal prior to the security's maturity. Securities subject to prepayment can offer less potential for gains during a declining interest rate environment and similar or greater potential for loss in a rising interest rate environment. In addition, the potential impact of prepayment features on the price of a security can be difficult to predict and result in greater volatility.

**Inflation Risk:** This is the risk that the value of your assets or income you're your investments will be less in the future as inflation decreases the value of your money. As inflation increases, the value (purchasing

power) of your assets can decline. This risk increases as we invest a greater portion of your assets in fixed-income securities with longer maturities.

**Liquidity Risk:** Liquidity risk exists when particular investments are difficult to purchase or sell, possibly preventing us from selling out of these illiquid securities at an advantageous price.

**Illiquid Securities:** Illiquid securities involve the risk that investments may not be readily sold at the desired time or price. Securities that are illiquid, that are not publicly traded and/or for which no market is currently available may be difficult to purchase or sell, which may impact the price or timing of a transaction. An inability to sell securities can adversely affect an account's value or prevent an account from taking advantage of other investment opportunities. A client may not be able to liquidate its investment in the event of an emergency or any other reason.

#### Item 9 Disciplinary Information

We do not have any material facts about legal or disciplinary events that are material to your evaluation of the integrity of our firm or its advisory agents to disclose. Your confidence and trust placed in our Firm and its advisory agents is something we value and endeavor to protect.

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

##### **Relationship with Perryman Securities, Inc.**

Some of our advisory agents are registered representatives of Perryman Securities, Inc., (Member FINRA/SIPC). In this capacity, our advisory agents may when they deem suitable, recommend and sell securities through Perryman Securities, Inc. and receive normal and customary commissions as a result of such purchases and sales. This presents a conflict of interest to the extent that the advisory agent recommends that you invest in a security which results in a commission being paid to the advisory agent. Normally less than five hours a month is spent on these activities.

##### **Other Financial Industry Relationships:**

Some of our advisory agents are also licensed insurance agents for various other unaffiliated insurance companies. If you elect to implement the plan or buy insurance through us or our advisory agents, then the agents would receive a commission from the insurance sales, which includes life, accident, disability and fixed annuities. This presents a conflict of interest because they will receive a commission for these services, which is separate from the portfolio management, financial planning and other services provided. We have no single agreement with any agency or company, but will seek out the products of any company, agency or brokerage that may have products fitting our client's needs.

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

### **Code of Ethics:**

We have adopted a Code of Ethics Policy to prohibit conflicts of interest from personal trading by our advisory personnel and have established standards of conduct expected of our advisory personnel. We have set forth in the Code of Ethics Policy statements of general principles, required course of conduct, reporting obligations, and review and enforcement of the Code of Ethics Policy. We will provide a copy of the Code of Ethics Policy to our clients or prospective clients upon written request.

### **Participation or Interest in Client Transactions / Personal Trading:**

Some of our advisory agents are also registered securities representatives of Perryman Securities, Inc. (Member FINRA/SIPC), a non-affiliated registered broker-dealer. The advisory agents will receive compensation from Perryman Securities, Inc. in connection with security transactions effected for the accounts the advisory agents direct through the broker dealer. In addition, these advisory agents who are registered representatives of Perryman Securities, Inc. may receive ongoing trail commissions on selected securities. Therefore, there may be a financial incentive to use Perryman Securities, Inc. to effect certain security transactions for client accounts.

Our advisory agents may buy or sell for themselves securities that we also recommend to you. These investment products will be bought and sold on the same basis as you buy them. We will do everything possible to mitigate these conflicts. Records of all advisory associate's proprietary trading activities are reviewed and kept by us. We and our advisory agents will act in a fiduciary manner, understand the prohibitions against the use of any insider information and will always act in your best interest.

## Item 12 Brokerage Practices

### **Brokerage Selection:**

We generally select the brokers or dealers to handle securities transactions. We utilize TD Ameritrade, Inc. (Member FINRA/SIPC), as the broker-dealer for the execution of securities transactions. Custody of your accounts for both securities and funds are maintained at TD Ameritrade, Inc. or other Trust Companies.

Factors which we consider when recommending TD Ameritrade, Inc. include their respective financial strength, reputation, execution, pricing, research and service. We understand and acknowledge that we owe a fiduciary duty to you to obtain best execution for your transactions. We believe that our

relationship with TD Ameritrade, Inc. helps us to execute securities transactions for you in such a manner that your total cost in each transaction is as favorable as possible under prevailing market conditions. However, accounts with TD Ameritrade, Inc., as a full-service broker/dealer, they may not always obtain best execution. The commissions and/or transactional fees charged by TD Ameritrade, Inc. to you may be higher or lower than those charged by another broker-dealer.

It is our policy to select brokers based on the best combination of cost and execution capability. Subject to its best execution obligations, we intend to use the broker-dealer to affect all or substantially all client securities transactions. We compare on a regular basis with other custodians including Schwab and Fidelity.

**Soft Dollar Practices:**

We may utilize brokers providing research and brokerage services to us even though lower commissions may be obtained from brokers not offering such services. We participate in the TD Ameritrade Institutional Services program. TD Ameritrade Institutional Services is a division of TD Ameritrade, Inc. ("TD Ameritrade"), member FINRA/SIPC. TD Ameritrade is an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers services to independent investment advisors which include custody of securities, trade execution, clearance, and settlement of transactions. We receive benefits from TD Ameritrade through its program participation

We recommend TD Ameritrade to you for custody and brokerage services. There is no direct link between our participation in the program and the investment advice we give to you, although we receive economic benefits through our participation in the program. The benefits include:

- receipt of duplicate client confirmations;
- access to a trading desk serving advisor participants;
- access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts);
- the ability to have advisory fees deducted directly from client accounts;
- access to an electronic communications network for client order entry and account information;
- access to mutual funds with no transaction fees and to certain institutional money managers;
- and
- discounts on compliance, marketing, technology, and practice management products or services provided to us by third party vendors.

These benefits received by us or our advisory agents do not depend on the amount of brokerage transactions directed to TD Ameritrade.

Our advisory agents may receive economic benefits from Perryman Securities, Inc., various mutual fund and insurance companies, third party manager Platforms, and other financial entities. Our policy is to permit all advisory agents to accept such benefits to the extent that they are usual and customary within the industry and in compliance with the Securities and Exchange Commission, FINRA, or state rules, regulations or guidelines concerning the receipt of such benefits. Legacy

Consulting Group, in accordance with FINRA regulations, generally must recognize compensations and report them to the Internal Revenue Service as revenues.

Advisory agents who are Registered Representatives of Perryman Securities, Inc. may receive trail commissions (i.e. 12b-1 fees) which are initially paid to Perryman Securities, Inc. and a portion passed to the advisory agent for a period of time. Loaded mutual funds may pay annual distribution charges, sometimes referred to as 12b-1 fees. The 12b-1 fees come from fund assets, therefore, indirectly from client assets. The receipt of such fees could represent an incentive for advisory agents to recommend funds with 12b (1) fees over funds that have no fees or lower fees. As a result, there is a potential conflict of interest.

As part of our fiduciary duty to you, we will always endeavor to put the interests of you first. You should be aware, however, that the receipt of economic benefits by us and our advisory agents in and of itself creates a potential conflict of interest.

**Brokerage for Client Referrals:**

Neither our Firm nor our Advisory Agents receive client referrals from a broker dealer or other third party when recommending to you a broker-dealer for the execution of securities transactions.

Neither this Firm nor our advisory agents receive any products, research, or services other than those disclosed.

**Trade Aggregation (Block Trading):**

We provide investment management services to various clients. We may, in our sole discretion, aggregate purchases or sales of any security, instrument or obligation effected for various client accounts with purchases or sales, as the case may be, of the same security, instrument or obligation effected on the same day for the accounts of one or more of our other clients. Although such concurrent aggregations potentially could be either advantageous or disadvantageous to any one or more accounts, they will be affected only when we believe that to do so will be in the best interest of the affected accounts. When transactions are so aggregated, (a) the actual prices applicable to the aggregated transaction will be averaged, and each client account participating in the aggregated transaction will be deemed to have purchased or sold its share of the security, instrument or obligation involved at that average price. Costs for such transactions will follow the normal fee schedule for each account involved in the transaction. When such concurrent aggregation occurs, the objective will be to allocation executions in a manner that is deemed equitable to the accounts involved.



### Item 13 Review of Accounts

Account reviews may be conducted quarterly but no less than annually or by your request. Reviews may be warranted more frequently due to tax law changes, market changes, market conditions or changes in personal circumstances. Reviews initiated by you may be for personal objectives or for any reason you so desire. The reviews will be conducted for accuracy, completeness and suitability by Steven Wachs, Roger Shake, Matt Quinn, or Jennifer Schmitt, and will be consistent with desires of you respecting frequency and changing circumstances or objectives.

Statements, confirmations, and performance reports are furnished from various financial services institutions or firms with which you transact business. These firms may include, and are not limited to, brokerages, investment companies, insurance companies, trust companies, other registered investment advisors, banks, and credit unions.

### Item 14 Client Referrals and Other Compensation

#### **Client Referrals:**

We do not have any arrangements that we compensate another for client referrals to our firm.

#### **Other Compensation:**

When the CARES Act was enacted as a result of the Coronavirus (COVID-19) pandemic, it made forgivable SBA loans available to small businesses that intended to use it for payroll, rent and utilities during a brief 8-week period following acquisition of the loan. With the uncertainty as to how long the economic shutdown might last, the unknown implications of the impact of this pandemic, and being responsible business owners with a focus on serving our clients, we made the decision to take advantage of the funds made available to our firm by the government.

On April 29, 2020 our firm received a Paycheck Protection Program (“PPP”) Loan through the SBA in conjunction with the relief afforded from the CARES Act. The firm used the PPP for qualifying payroll, rent and utilities expenses and the firm did not suffer any interruption of service. This helped our team members to focus and continue to work hard to serve the needs of our clients during these uncertain times. These loans are eligible for forgiveness, but forgiveness is based on factors such as being used for payroll and overhead of the firm.

## Item 15 Custody

Legacy Consulting Group is deemed to have custody of client funds because of the fee deduction authority granted by clients. Additionally, in accordance with the SEC's no action guidance to the Investment Adviser Association, dated February 21, 2017, Legacy Consulting Group is deemed to have custody because certain clients have given the firm a standing letter of authorization for third party transfers. In lieu of a surprise audit, we will adhere to the safeguards outlined in the above referenced no action guidance.

All client accounts are held with a bank, broker-dealer, or other qualified custodian. Clients will receive account statements at least quarterly from the broker-dealer or other qualified custodian. Clients are urged to review custodial account statements for accuracy. The custodial statement is the official record of your account for tax purposes.

## Item 16 Investment Discretion

Unless otherwise negotiated, you have granted our Firm discretion in the management of your portfolio and periodic re-balancing. In the exercise of authority, we are fully authorized and empowered to place orders to brokers, dealers, mutual funds, or other persons with respect to the purchase, sale, exchange, disposition or liquidation of any assets held in your portfolio.

Additionally, you are advised that:

1. You may set parameters with respect to when an account should be rebalanced and set trading restrictions or limitations;
2. When advisory agents are acting as registered representative for Perryman Securities, we must obtain written client consent to establish any mutual fund, variable annuity, or brokerage account;
3. We require the use of our broker/dealer for sales in commissionable mutual funds or variable annuities;

Discretionary authorization will not extend to the withdrawal of client funds or securities, with the exception of payment of our advisory fee.

We have limited authority to sell or redeem securities holdings in sufficient amounts to pay advisory fees. You may reimburse the portfolio for Advisory Fees paid to us.

#### **Item 17 Voting Client Securities**

We do not vote your proxies and have instructed the Custodian to forward all proxy material directly to you. We shall forward to you, or to the Advisor(s) for an employee benefit plan covered by ERISA, unless the plan's trust agreement provides otherwise, any proxy materials we receive that pertain to the Assets in your Account. You can contact our office at 972-599-4750 for any questions about a solicitation.

#### **Item 18 Financial Information**

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. We do not have any financial condition that is reasonably likely to impair the ability to meet contractual commitments to you.

#### **Item 19 Requirements for State Registered Advisors**

Not applicable, we are an SEC registered investment adviser.