

## Legacy Wealth Advisors, LLC

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This brochure provides information about the qualifications and business practices of Legacy Wealth Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at the telephone number and/or e-mail address above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority.

Legacy Wealth Advisors, LLC is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training. The verbal and written communications of an investment advisor provide you with information you need to determine whether to hire or retain the advisor.

Additional information about Legacy Wealth Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## Legacy Wealth Advisors, LLC

The main office address changed to 2001 Gateway Place, Suite 600W, San Jose, CA 95110.

# ITEM 3

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## ITEM 4: ADVISORY BUSINESS

### Who we are

Legacy Wealth Advisors, LLC (referred to as “we,” “our,” “us,” “the Advisor,” or “LWA”), has been registered as an investment advisor since August 2000. Our principal officer is Edwin Ryu.

### Services we offer

LWA is an independent, fee-based registered investment advisory firm serving multi-family office (MFO) and wealth management clients.

#### Wealth & Investment Advisory Services

We develop investment strategies which are unique to you. Part of this process includes providing you with our assessment of macroeconomic and financial market trends. With this top-down approach, we assess how these trends may affect your portfolio. This process typically encompasses the following steps:

**STEP 1:** Risk Assessment. We employ such tools as questionnaires and extensive interviews to determine your appropriate return expectations, risk tolerances and asset allocations.

**STEP 2:** We help you by recommending portfolio configurations which may consist of individual investments, asset allocation models and/or third-party managers to oversee your account based on your risk assessment and preferences. Client preferences can include cost sensitivity considerations, tactical vs. buy and hold orientation, tax efficiency concerns, etc. We generally provide investment management services on a discretionary basis but can also accommodate clients on a non-discretionary basis. When the Advisor manages client assets on a discretionary basis, we execute securities transactions for clients without having to obtain specific client consent prior to each transaction. This includes moving your account between different asset allocation models or going out of models altogether, if necessary. We maintain agreements with third-party asset management programs. All third-party asset managers to whom we will place client assets are licensed as investment advisors by their resident states and any applicable jurisdictions or by the Securities and Exchange Commission.

Discretionary authority is limited to investments within a client’s managed accounts. However, clients may impose restrictions on investing in certain securities or types of securities.

When we manage client assets on a non-discretionary basis, the Advisor notifies the client and obtains permission prior to the sale or purchase of each security within the managed account. Clients may decide not to invest in certain securities or types of securities and may refuse to approve securities transactions.

The Advisor provides investment management services that include, among other things, advice regarding asset allocation and the selection of investments, selection of third-party managers, portfolio design and investment plan implementation. The Advisor relies on the stated objectives of the client and considers the client’s risk profile and financial status prior to making any recommendations. The Advisor doesn’t participate in wrap fee programs by providing portfolio management or any other services.

We can also monitor and oversee assets for which we cannot have discretionary authority e.g. 401(k) & 403(b) accounts and variable annuities. Since we assist clients with maintaining their overall asset allocations within their pre-designated risk tolerance ranges, we require that clients provide us with detailed data including account statements and/or downloads. When possible, we are set up to receive duplicate statements or data feeds for these accounts so that we can review activity on a regular basis. In many instances, we assist clients with making appropriate investment decisions regarding these assets.

**STEP 3:** Provide ongoing monitoring of your investments.

For clients who have holdings that cannot be readily sold or transferred, we will monitor the holdings and build custom portfolios around those positions.

By using questionnaires, client informational forms and multiple interviews, we design a customized investment strategy for each client. We attempt to incorporate all of the client's existing holdings including securities accounts custodied elsewhere, real estate and private equity, before making investment recommendations. The goal is to then maintain a comprehensive overview of a client's investments when making asset allocation decisions.

In limited cases, we can provide socially conscious stock screening services through third-party managers.

Financial Planning Services

We offer financial planning and modeling services to clients as agreed upon in the Wealth Management Agreement's Schedule of Services to be Provided. This can include cash flow analyses and insurance and retirement planning. With the client's current and future estimated inflows and outflows, we can project how their portfolio will fare under different investment environment scenarios. We work with clients' estate planning attorneys, CPAs and insurance agents with respect to assisting clients with income tax and estate tax planning.

We gather relevant financial planning information from the client by conducting interviews and using various firm forms including detailed budgeting. We also work with clients to incorporate future income projections as well as take into account critical items such as tax loss carry forwards. Under different investment growth assumptions, we utilize software to generate various financial planning scenarios to assist with retirement planning and gifting strategies.

Financial Planning Conflicts of Interest: There can be a conflict of interest when offering financial planning services to recommend products or services for which LWA or an associated person may receive compensation; however, this generally does not apply. Additionally, financial planning clients are under no obligation to act upon any recommendations of LWA or to execute any transactions through LWA or an associated person if they decide to follow the recommendations.

Consulting Services

We offer financial consultation services to Clients on securities and/or general non-securities topics separate from the creation of a financial plan. These services may include but are not limited to financial plan and portfolio reviews.

We also offer real estate consulting services which are rendered in connection with overall wealth management advice and not in a real estate brokerage capacity (see ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS).

## Assets under management

As of December 31, 2021, we manage assets \$119,670,483 on a discretionary basis and \$4,138,181 on a non-discretionary basis.

## ITEM 5: FEES AND COMPENSATION

### Financial Planning & Consulting

Financial planning and business & real estate consulting services can be provided for a fixed fee starting at \$2,500 per engagement, based on the complexity of the project and will be agreed upon in advance and will be stated in the written agreement that the client signs, or on an hourly basis with a rate up to \$500 per hour. We will provide you with an invoice when the services are completed. We expect payment of the invoice upon receipt.

Additional fees, to be mutually agreed upon in advance, may be charged for specialized services not anticipated in the original fee. Hourly fees, where applicable, are charged at a rate of up to \$500 per hour depending on the complexity of the service provided.

We have a conflict of interest when providing financial planning advice. When you implement the financial plan through us, we receive the customary fees as disclosed in the following section. You are not required to employ us to implement the plan, or any portion of it. If clients elect to implement recommendations made in a financial plan, their accounts may incur transaction costs, retirement plan administration fees, and other mutual fund annual expenses that are charged by broker-dealers, plan administrators or mutual fund companies that sell securities or provide additional services to our clients. These fees are in addition to and separate from planning and consulting fees.

LWA anticipates that the financial plan produced will be delivered within six months or sooner of the date of the agreement. LWA considers fees for financial planning or a consulting project to be earned as progress is realized toward creation of the plan or completion of the service. Under no circumstances will LWA earn fees in excess of \$500 more than six months in advance of services rendered.

Most financial planning services are “bundled” as part of the Wealth Advisory Services which are described below.

### Wealth Advisory Services

Fees for LWA Wealth Advisory Services are negotiated and generally range from 0.5%-1.5% per year of the assets under management. In rare instances where clients receive services and have limited investable assets, fees may be as high as 2%. When determining our fee, we consider the size of the portfolio, complexity of the investment issues, portfolio configuration and the amount of ongoing professional time required to manage the investment process and financial planning work. Fees may be billed in arrears or advance, depending on the third-party managers’ policies.

The arrangement will be identified in the managers' disclosure document which clients will receive a copy of upon execution of LWA's Client Agreement. Most LWA accounts are on the Envestnet platform which bills in advance on a quarterly basis. In most cases fees are debited against client accounts. In a few instances, clients are billed directly via quarterly invoice.

Fees are generally due on the first day of the calendar quarter and are based on the account's asset value as of the last business day of the prior calendar quarter. Fees are prorated for accounts opened during the quarter.

The account custodian may charge fees, which are in addition to and separate from advisory fees. Accounts may incur transaction costs, retirement plan administration fees, mutual fund annual expenses and other fees. Clients should note that fees for comparable services vary and lower or higher fees may be charged by different providers for similar services.

Note: Additional fees for the use of various third-party manager platforms and sub-managers may apply and are outlined in their separate disclosure documents. At LWA's direction, third-party managers may provide operational support to calculate and instruct custodians to debit fees from accounts on a quarterly basis.

Wealth Advisory Services may be terminated by you with a complete refund of any prepaid fees within five (5) business days of the original engagement. After that initial period, Wealth Advisory Services may be terminated by either you or LWA at any time by providing thirty (30) days written notice to the other party. Clients will receive a prorated refund of any unearned fees that have been paid.

## Receipt of Additional Compensation

Neither LWA nor any supervised person is associated with any broker-dealer or accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

## **ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

We do not receive performance fees for managing accounts.

## **ITEM 7: TYPES OF CLIENTS**

LWA provides wealth management and investment advice to individuals, high net worth individuals, families and institutions.

Account Minimums: The Advisor requires a minimum of \$2,000,000 to establish a new advisory account; however, the minimum may be waived at the sole discretion of the Advisor. In addition, the Advisor may continue to service existing accounts that have values that are below the minimum.

## **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **Method of Analysis**

Third-party Managers: LWA reviews the applicable disclosure documents of third-party managers and usually analyzes the following:

- Management structure
- Backgrounds of management personnel
- Management and director compensation
- Competitors
- Products and services differentiators
- Investment strategy, objective and the use of leverage
- Conflicts and potential conflicts of interest
- Performance information and how it is calculated
- Valuation particularly of illiquid securities and hard assets

Mutual and Exchange Traded Funds: The Advisor recommends index and actively managed, mutual and exchange traded funds when designing client portfolios. The Advisor considers index funds based on how closely the funds' characteristics mirror the indices they track.

The Advisor analyzes actively managed funds by comparing funds that target the same market sector and have the same investment style using prospectuses and other sources of information. The Advisor reviews the following prior to recommending funds to clients:

- Rank in Category over various periods
- Return Rating
- Risk Rating
- YTD Return (Outsize swings in comparisons to peers can be a sign of risky practices such as placing large bets on certain sectors of the market.)
- 1 Yr. & 3 Yr. Returns
- 5 Yr. Returns and longer, 10-20 Years if available (Typically over a five-year period, the economy experiences a complete cycle. However, the way in which a manager operates in various economic environments reflects the manager's ability to make adjustments or stay the course.)
- Loads
- Total Expense Ratios
- Net Assets
- Turnover
- Median Market Capitalization

The Advisor also takes the manager or management team tenure under consideration to determine who was responsible for generating the performance numbers.

### **Investment Strategies**

LWA offers a multitude of investment options to clients based upon return expectations and risk tolerances. These strategies are typically tailored to specific client needs and preferences. LWA may



recommend a target asset mix with periodic rebalancing. This can be paired with a Tactical Asset Allocation Strategy which allows for clients to occasionally engage in short-term deviations from their original asset mix in order to capitalize on advantageous market and economic conditions that are more favorable for one asset class than for others. The Advisor attempts to exploit these opportunities by overweighting or underweighting applicable asset classes while favorable market conditions exist then rebalancing to the original long-term allocation.

## Risk of Loss

Clients are advised that investing in securities involves the risk of loss of the entire principal amount invested including any gains. Clients should not invest unless they are able to bear this risk. Any of the above investment strategies may lead to a loss on investments. Even hedging strategies may fail if markets move against the hedged investments. In addition, investing carries with it opportunity risk. It is impossible to accurately predict the sectors of the market or asset classes that will have more favorable returns for a given period.

Frequent Trading and Material Risks: LWA is not involved in the frequent trading of securities. LWA generally doesn't recommend a type of security that involves significant or unusual risks.

## ITEM 9: DISCIPLINARY INFORMATION

Registered investment advisors are required to disclose any material facts regarding any legal or disciplinary actions that would be material to your evaluation of the investment advisor and each investment advisor representative providing investment advice to you. We have no information of this type to report.

## ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

### Advisory

Aria Wealth Management provides access and support to LWA's investment platform, Envestnet. An investment advisor representative with Aria also provides consulting services to LWA under an independent contractor arrangement. This individual provides research, trading, and portfolio management services to LWA but has no influence on our investment models.

### Real Estate Licenses & Certifications

Mr. Ryu has a real estate broker's license but does not practice as such nor does he receive any compensation/commissions. He benefits from the continuing education and this background allows him to better serve LWA clients with advising on their real estate holdings/allocation within their overall wealth management needs. Since he is not acting in a capacity as a real estate broker, he is not devoting any time to this activity.

Mr. Ryu also holds the Counselor of Real Estate (CRE) designation which assists him in providing advice to LWA clients. This represents a conflict of interest whenever Advisor clients are referred for real estate services if these services are determined to be necessary in conjunction with the services provided by the Advisor.

### CPA

Elizabeth Flores is a Certified Public Accountant offering tax planning, accounting and consulting services. This represents a conflict of interest whenever Advisor clients are referred for accounting or tax preparation services if these services are determined to be necessary in conjunction with the services provided by the Advisor.

Clients are under no obligation to utilize these services and are free to select any provider of accounting, tax or real estate brokerage services that they may wish to employ.

## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### Code of Ethics

We have adopted a Code of Ethics that sets forth standards of conduct expected of advisory personnel and to address conflicts that arise from personal trading by associated persons. Associated persons are obligated to adhere to the Code of Ethics, and applicable securities and other laws.

Summarized, this Code of Ethics prohibits us from:

- placing our interests before yours,
- using nonpublic information gathered when providing services to you for our own gains, or
- engaging in any act, practice or course of business that is, or might be considered, fraudulent, deceptive, manipulative, or in violation of any applicable law, rule or regulation of a governmental agency.

Please contact us if you would like to receive a full copy of this Code of Ethics.

### Personal Trading for Associated Persons

We may buy or sell some of the same securities for you that we already hold in our personal account. We may also buy for our personal account some of the same securities that you already hold in your account. It is our policy not to permit our associated persons (or their immediate relatives) to trade in a way that takes advantage of price movements caused by your transactions.

We may restrict trading for a particular security for our accounts or those of our associated person if there is a pending trade in that security in a client account. Trades for our accounts (and those of our associated persons) will be placed after client trades have been completed. When our trades are placed after our client trades, we may receive a better or worse price than that received by the client.

LWA and its associated persons may purchase or sell specific securities for their own account based on personal investment considerations without regard to whether the purchase or sale of such security is appropriate for clients.

All persons associated with us are required to report all personal securities transactions to us quarterly.

## ITEM 12: BROKERAGE PRACTICES

### The Custodians and Brokers We Use

We do not maintain custody of your assets on which we advise, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see “Item 15: Custody”). Your assets must be maintained in an account at a “qualified custodian,” generally a broker/dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. (“Schwab”), a registered broker/dealer, member SIPC, as the qualified custodian, although we do have some clients that use SEI Private Trust Company. We are independently owned and operated and are not affiliated with Schwab or SEI. The custodian will hold your assets in a brokerage account and buy and sell securities when we, or one of our delegates, instruct them to.

While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so.

Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below (see “Your Brokerage and Custody Costs”).

### How We Select Brokers/Custodians

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed below (see “*Products and Services Available to Us From Schwab*”)

### Your Brokerage and Custody Costs

For our clients’ accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution

means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “*How We Select Brokers/Custodians*”).

## Products and Services Available to Us From Schwab

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab’s business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage— trading, custody, reporting, and related services—many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients’ accounts, while others help us manage and grow our business.

Schwab’s support services generally are available on an unsolicited basis (we don’t have to request them) and at no charge to us. Following is a more detailed description of Schwab’s support services:

### Services That Benefit You

Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets.

The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab’s services described in this paragraph generally benefit you and your account.

### Services That May Not Directly Benefit You

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients’ accounts. They include investment research, both Schwab’s own and that of third parties. We may use this research to service all or a substantial number of our clients’ accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients’ accounts
- Assist with back-office functions, recordkeeping, and client reporting

### Services That Generally Benefit Only Us

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

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third-party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

In some arrangements we do not have the authority to choose a broker/dealer to transact client trades. The selection of the broker/dealer will be governed by the agreement the client signs with the third-party manager.

Soft Dollars – LWA does not receive soft dollars generated by clients' securities transactions. The term "soft dollars" refers to funds which are generated by client trades being used by the Advisor to purchase products or services (such as research and enhanced brokerage services) from or through the broker-dealers whom the Advisor engages to execute securities transactions.

Brokerage for Client Referrals – LWA does not refer clients to particular broker-dealers in exchange for client referrals from those broker-dealers.

Directed Brokerage – LWA does not recommend or require that clients impose restrictions regarding routine transactions by directing their brokerage business to any particular broker-dealer for execution.

Trade Aggregation – LWA primarily recommends and invests client assets in open-end mutual funds and ETFs and uses third-party managers. LWA's investment strategies do not present opportunities to aggregate trades.

## **ITEM 13: REVIEW OF ACCOUNTS**

### **Wealth & Investment Advisory Services**

LWA monitors the assets managed by the firms mentioned in Section 4 on a daily, weekly and/or quarterly basis depending on the assets. Reviews include, but are not limited to, examining clients' asset allocation, models that accounts are in, and any changes in clients' overall financial situation which might prompt a change in investment strategy. Third-party manager and model performance is examined at least monthly. LWA assists with terminating poor performing managers and allocating additional assets to managers who are performing well. We also perform ongoing due diligence on prospective new managers. All reviews are performed by Edwin K.S. Ryu, Principal.

We meet with clients throughout the year, generally between one and four times and by telephone conferences as needed. At these meetings, a summary of their assets & liabilities and asset allocation reports are reviewed with the client along with other relevant analyses as needed or requested.

### **Financial Planning Services**

We review financial plans if this is specified in the client agreement. Reviews are performed as requested by the client. The nature and extent of such reviews are determined by the client and advisor, Edwin K.S. Ryu, Principal.

## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

### **Other Compensation**

The Adviser doesn't receive any economic benefit for providing advisory services to clients from a person who is not a client. This includes sales awards or prizes.

### **Client Referrals**

LWA does not have an arrangement under which it or its associated persons compensate others for client referrals. LWA doesn't receive any economic benefit for providing advisory services to clients from a person who is not a client.

## **ITEM 15: CUSTODY**

Client assets are held by qualified custodians. If you give us authority to deduct our fees directly from your account, we are considered to have custody of those assets.

You will receive at least quarterly statements directly from the custodian of the account that details all transactions in the account, including the advisory fees that were deducted. We do not accept physical custody of your assets.

## **ITEM 16: INVESTMENT DISCRETION**

You may provide discretionary authority for us to manage your assets as listed on Schedule C of our Client Agreement. Discretionary authority means that you are giving us a limited power of attorney to place trades and/or change portfolio models on your behalf, without the need for consent or approval for each individual transaction. This discretionary authority does not allow us to withdraw money from your account.

We are authorized to delegate the active discretionary management of all or part of your assets to one or more independent third-party managers and/or investment management programs based upon your stated investment objectives without prior consultation with you and without your prior consent.

Such third-party managers will have all of the same authority relating to the management of your accounts as is granted to us in the Client Agreement. In addition, at our discretion, we may grant such third-party managers full authority to further delegate such discretionary investment authority to additional third-party managers.

The third-party managers will have limited power of attorney and trading authority over those assets we direct to them for management. They will be authorized to buy, sell and trade in accordance with your investment needs and to give instructions, related to their authority, to the broker-dealer and the custodian of your assets. We will supervise the third-party managers. We may terminate or change third-party managers when, in our sole discretion, we believe such termination or change is in your best interest. We will continue to monitor and review asset allocation, asset performance, and your investment needs.

You grant us discretionary authority by completing the following items:

- Signing a client agreement with us that provides a limited power of attorney for us to place trades on your behalf. Any limitations to the trading authorization will be added to this agreement.

- Providing us with trading authority in the paperwork you sign with custodians and third-party manager(s) when you open your account.

Clients may specify certain holdings that they want to keep which may be segregated from the rest of the assets invested in models. Clients will direct LWA as to how to handle these positions.

If you do not give us discretion over your account, we can't make changes to your portfolio before we receive your approval.

## **ITEM 17: VOTING CLIENT SECURITIES**

Generally, we do not accept the authority to vote proxies on your behalf and we generally do not provide guidance about how to vote proxies. You will receive proxies and other related paperwork directly from your custodian. However, on a limited basis, we may provide guidance on how to vote a proxy.

## **ITEM 18: FINANCIAL INFORMATION**

We do not charge or solicit pre-payment of more than \$500 in fees per client six months or more in advance. We have never filed for bankruptcy and are not aware of any financial conditions that are reasonably likely to impair our ability to meet our contractual obligations to clients.