

**LEGACY CAPITAL WEALTH PARTNERS, LLC**  
**FORM ADV PART 2A – DISCLOSURE BROCHURE**

**Item 1 – Cover Page**

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

This Form ADV 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Legacy Capital Wealth Partners, LLC (“Legacy Capital” or the “Advisor”). If you have any questions regarding the content of this Disclosure Brochure, please do not hesitate to contact the Advisor’s Chief Compliance Officer, Robert Roberts, by telephone at (501) 376-7878 or by email at [bohr@legacycapitalwp.com](mailto:bohr@legacycapitalwp.com). The information in this Disclosure Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority.

Legacy Capital Wealth Partners, LLC is a registered investment advisor. Registration with the SEC or any state securities authority does not imply a certain level of skill or training. Additional information about Legacy Capital and its Advisory Persons is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor’s firm name or CRD# 291960.

May 23, 2023

## **Item 2 – Material Changes**

Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplement")*. The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about the Advisory Persons of Legacy Capital.

Legacy Capital believes that communication and transparency are the foundation of its relationship with clients and will continually strive to provide you with complete and accurate information at all times. Legacy Capital encourages all current and prospective clients to read this Disclosure Brochure and discuss any questions you may have with the Advisor.

### **Material Changes**

Legacy has updated their investment advisory service options. Please see Item 4 for more information.

### **Future Changes**

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

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

### Item 3 - Table of Contents

Item 1 – Cover Page.....	1
Item 2 – Material Changes.....	2
Item 3 - Table of Contents .....	3
Item 4 - Advisory Business.....	4
A. Description of the Advisory Firm.....	4
B. Types of Advisory Services.....	4
C. Client-Tailored Advisory Services .....	6
D. Wrap Fee Programs .....	6
E. Assets Under Management .....	7
Item 5 - Fees and Compensation.....	7
A. Fee Schedule for Advisory Services.....	7
B. Payment of Fees.....	8
C. Other Fees and Expenses .....	10
D. Prepayment of Fees.....	10
E. Outside Compensation for Sale of Securities or Other Investment Products to Clients.....	11
Item 6 - Performance-Based Fees and Side-by-Side Management.....	12
Item 7 - Types of Clients.....	12
Item 8 - Methods of Analysis, Investment Strategies, and Risk of Loss .....	12
A. Methods of Analysis and Risk of Loss .....	12
B. Material Risks Involved.....	13
Item 9 – Disciplinary Information .....	17
Item 10 – Other Financial Industry Activities and Affiliations .....	17
Item 11 – Code of Ethics, Participation or Interest in Client Transactions .....	18
A. Description of Code of Ethics.....	18
Item 12 – Brokerage Practices .....	19
A. Factors Used to Select Custodians and/or Broker-Dealers .....	19
B. Trade Aggregation .....	23
Item 13 – Review of Accounts.....	23
A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews.....	23
B. Other Reviews.....	23
C. Content and Frequency of Regular Reports Provided to Clients.....	23
Item 14 – Client Referrals and Other Compensation.....	24
A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients.....	24
B. Compensation for Client Referrals .....	26
Item 15 – Custody.....	26
Item 16 – Investment Discretion.....	26
Item 17 – Voting Client Securities.....	27
Item 18 – Financial Information .....	27
A. Balance Sheet.....	27
B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients .....	27
C. Bankruptcy Petitions in Previous Years .....	27

## **Item 4 - Advisory Business**

### **A. Description of the Advisory Firm**

Legacy Capital Wealth Partners, LLC (“Legacy Capital” or the “Advisor”) is a limited liability company organized in the State of Delaware. Legacy Capital became an investment advisory firm registered with the United States Securities and Exchange Commission (“SEC”) in February 2018. Legacy Capital is owned by Legacy Capital Wealth Holdings, LLC and Trent Capital Management, Inc. The majority owners of Legacy Capital Wealth Holdings, LLC are Matthew Jones and Jason Prather. The owner of Trent Capital Management, Inc. is David Trent.

If you have any questions regarding the contents of this Disclosure Brochure, please do not hesitate to contact the Advisor’s Chief Compliance Officer, Bob Roberts by telephone at (501) 376-7878 or by email at [bobr@legacycapitalwp.com](mailto:bobr@legacycapitalwp.com).

### **B. Types of Advisory Services**

Legacy Capital provides holistic and personalized financial planning and discretionary and non-discretionary investment advisory services to individuals, high net worth individuals, families, family offices, trusts, estates, businesses, charitable foundations, nonprofit organizations and retirement/profit-sharing plans (each referred to as a “Client”).

The Advisor serves as a fiduciary to Clients, as defined under the applicable laws and regulations. As a fiduciary, the Advisor upholds a duty of loyalty, fairness and good faith towards each Client and seeks to mitigate potential conflicts of interest. Legacy Capital’s fiduciary commitment is further described in the Advisor’s Code of Ethics. For more information regarding the Code of Ethics, please see Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

#### *Financial Planning and Consulting Services*

Legacy Capital offers financial planning and consulting services to Clients. Such engagements may be part of the investment advisory engagement or pursuant to a separate engagement. Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation based on the Client’s financial goals and objectives. This planning or consulting may encompass one or more areas of need, including, but not limited to: cash flow analysis, investment planning, retirement planning, estate planning, personal savings, educational savings, and other areas of a Client’s financial situation. Clients are encouraged, but are not required, to engage Legacy Capital for financial planning or consulting services.

A financial plan developed for or financial consultation rendered to the Client will typically include general recommendations for a course of activity or specific actions to be taken by the

Client. For example, recommendations may be made that the Client start or revise their investment programs, commence or alter retirement savings, establish education savings and/or charitable giving programs. Legacy Capital may recommend the services of itself and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if Legacy Capital recommends its own services, as such a recommendation may increase the advisory fees paid to Legacy Capital. The Client is under no obligation to act upon any of the recommendations made by Legacy Capital under a financial planning or consulting engagement to engage the services of any such recommended professional, including Legacy Capital itself.

### *Investment Management Services*

Legacy Capital focuses on providing objective and holistic advice to Clients. In designing and implementing customized portfolio strategies, Legacy Capital can manage, on a discretionary or non-discretionary basis, a broad range of investment strategies and vehicles. Legacy Capital primarily allocates Client assets among various mutual funds, exchange-traded funds (“ETFs”), alternative investments, options, and individual debt and equity securities in accordance with the Client’s stated investment objectives.

Legacy Capital may further recommend to Clients that all or a portion of their investment portfolio be managed on a discretionary basis by one or more unaffiliated money managers or investment platforms (“External Managers”). The Client may be required to enter into a separate agreement with the External Manager[s], which will set forth the terms and conditions of the Client’s engagement of the External Manager, or will receive a Statement of Investment Selection in a single contract relationship. Legacy Capital generally renders services to the Client relative to the discretionary selection of External Manager[s]. Legacy Capital also assists in establishing the Client’s investment objectives for the assets managed by External Manager[s], monitors and reviews the account performance and defines any restrictions on the account. The investment management fees charged by the designated External Manager[s], together with the fees charged by the corresponding designated broker-dealer/custodian of the Client’s assets, may be exclusive of, and in addition to, the annual advisory fee charged by Legacy Capital.

### *Comprehensive Management Services*

Based on the needs and objectives of the Client, Legacy may provide additional services and work closely with their respective accountant, attorney or another specialist, as appropriate to manage their unique situation, as needed, pursuant to the investment management agreement.

*Retirement Accounts* – When the Advisor provides investment advice to Clients regarding ERISA retirement accounts or individual retirement accounts (“IRAs”), the Advisor is a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act (“ERISA”) and/or the Internal Revenue Code (“IRC”), as applicable, which are laws governing retirement accounts. When deemed to be in the Client’s best interest, the Advisor will provide

investment advice to a Client regarding a distribution from an ERISA retirement account or to roll over the assets to an IRA, or recommend a similar transaction including rollovers from one ERISA sponsored Plan to another, one IRA to another IRA, or from one type of account to another account (e.g., commission-based account to fee-based account). Such a recommendation creates a conflict of interest if the Advisor will earn a new (or increase its current) advisory fee as a result of the transaction. No client is under any obligation to roll over a retirement account to an account managed by the Advisor.

### *Retirement Plan Advisory Services*

Legacy Capital provides retirement plan advisory services on behalf of the retirement plans (each a “Plan”) and the company (the “Plan Sponsor”). The Advisor’s retirement plan advisory services are designed to assist the Plan Sponsor in meeting its fiduciary obligations to the Plan and its Plan Participants. Each engagement is customized to the needs of the Plan and Plan Sponsor. Services generally include:

- Investment Management Services (ERISA 3(38))
- Ongoing Investment Recommendation and Assistance

These services are provided by Legacy Capital serving in the capacity as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). In accordance with ERISA Section 408(b)(2), the Plan Sponsor is provided with a written description of Legacy Capital’s fiduciary status, the specific services to be rendered and all direct and indirect compensation the Advisor reasonably expects under the engagement.

Legacy Capital does not render tax or legal advice.

### **C. Client-Tailored Advisory Services**

Legacy Capital seeks to provide personalized, tailored advisory services designed to meet the specific needs of each Client. Legacy Capital works collaboratively with its Clients, and any of its Clients’ outside advisors, including lawyers, accountants, and tax advisors, to meet its Clients’ goals. Client portfolios are managed on the basis of individual Clients’ financial situation and investment objectives. Clients may impose reasonable restrictions on the management of their accounts if Legacy Capital determines, in its sole discretion, that the conditions would not materially impact the performance of a management strategy or prove overly burdensome for Legacy Capital’s management efforts.

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

For certain client relationships, Legacy includes securities transaction fees, custodial costs, administrative fees, wire fees, trade away transactions, other fees and expenses (herein “Covered Costs”) together with its investment advisory fees. Including these fees into a single asset-based

fee is considered a “Wrap Fee Program”. The Advisor customizes its investment management services for its Clients. The Advisor sponsors the Legacy Wrap Fee Program solely as a supplemental disclosure regarding the combination of fees. Depending on the level of trading required for the Client’s account[s] in a particular year, the Client may pay more or less in total fees than if the Client paid its own transaction fees. Please see Appendix 1 – Wrap Fee Program Brochure, which is included as a supplement to this Disclosure Brochure.

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

As of April 30, 2023, Legacy Capital manages approximately \$1,021,999,600 in Client assets, of which \$795,247,850 are managed on a discretionary basis and \$226,751,750 on a non-discretionary basis.

## **Item 5 - Fees and Compensation**

### **A. Fee Schedule for Advisory Services**

#### *Investment Management Services*

Legacy Capital charges an annual advisory fee that is agreed upon with each Client and set forth in an agreement executed by Legacy Capital and the Client. Legacy Capital and any Client may, however, agree to adjust the fee annually or on a more frequent basis.

Legacy Capital’s fee for investment advisory services is negotiable and varies based on a multitude of factors, including, but not limited to, the size of the relationship and the nature and complexity of the products and investments involved, service intensity, degree of custom work, time requirement, number of entities, number of family members served and travel requirements. The fee can be based on a percentage of assets under management or a fixed dollar amount. If based on a percentage of the value of assets under management, the fee generally ranges between 0.50% and 1.50% annually of the Client’s net billable assets under management. If based on a percentage of the value of assets under management, the initial advisory fee for the first calendar quarter (or part thereof) in which the Client enters into an advisory agreement with Legacy Capital shall be calculated on the day after initial assets are placed with Legacy Capital and shall be the advisory fee for the first calendar quarter (or part thereof). The initial advisory fee for any partial quarter is payable on a pro rata basis based on the number of calendar days in the partial quarter and is paid in the month following the establishment of the Client account. For subsequent quarters, the advisory fee generally is payable in advance (except for services to participant-directed 401k plans, which are payable either in advance or arrears, depending on the terms of the agreement), based on the market value of assets under management on the last business day of the prior calendar quarter. If a fixed dollar amount, the advisory fee for the initial quarter is payable, on a pro rata basis, in arrears. For subsequent quarters, the fixed fee generally is payable in advance.

The Advisor's fee is exclusive of, and in addition to any applicable securities transaction and custody fees, and other related costs and expenses described below, which may be incurred by the Client. However, the Advisor shall not receive any portion of these commissions, fees, and costs.

### Financial Planning Services

Legacy Capital offers its Clients financial planning services for a fixed fee. Clients enter into a separate agreement with Legacy Capital for financial planning services. The standard fee for such services ranges from \$2,500 to \$10,000; the actual fee charged varies, based upon amount, type and nature of the Client's assets and liabilities involved, the number of family members, travel commitments scope of work, and specific requests made by the Client. The Client is required to pay one-half of the fee up-front prior to the commencement of work on the financial plan; the remainder is due after the financial plan is completed. Legacy Capital generally waives the remaining fee if the Client enters into an advisory relationship with the Advisor. Legacy Capital reserves the right to charge a financial planning fee greater than \$10,000 based on factors that include, but are not limited to, the amount, type and nature of the Client's assets and liabilities involved, the number of family members, travel commitments scope of work, and specific requests made by the Client. For any services that will be completed six (6) months or more in advance, Legacy Capital will only collect advance fees of up to \$1,200.

Legacy Capital also offers its Clients consulting services on a flat fee basis negotiated by Legacy Capital and the Client. The fee varies depending on the services provided and the experience, knowledge, and skill of those performing the services on behalf of Legacy Capital. The scope and charges of all work must be agreed-upon in writing by Legacy Capital and the Client before any billing begins.

### Retirement Plan Advisory Services

Fees for retirement plan advisory services are charged an annual asset-based fee of up to 1.50% and are billed quarterly, and may be billed in advance or arrears (the "Billing Period"), pursuant to the terms of the retirement plan advisory agreement. Retirement plan fees are based on the market value of assets under management at the end of the respective Billing Period. Fees may be negotiable depending on the size and complexity of the Plan.

Legacy Capital generally requires a minimum balance of assets under management per household of \$500,000; this requirement may be waived solely in the discretion of the Advisor.

## **B. Payment of Fees**



## Investment Management Services

Legacy Capital generally deducts its advisory fee from a Client's investment account[s] held at the custodian. Upon engaging Legacy Capital to manage such account[s], a Client grants Legacy Capital this limited authority through a written instruction to the custodian of the Client's account[s]. The Client is responsible to verify the accuracy of the calculation of the advisory fee; the custodian will not determine whether the fee is accurate or properly calculated. The fee generally is billed on a quarterly basis in advance of each calendar quarter, except the services to participant-directed 401k plans that are billed either in advance or in arrears depending on the terms of the agreement. A Client may utilize the same procedure for financial planning or consulting fees in arrears or in advance if the Client has investment accounts held at a custodian.

Although Clients generally are required to have their investment advisory fees deducted from their accounts, in some cases, Legacy Capital will directly bill a Client for investment advisory fees if it determines that such billing arrangement is appropriate given the circumstances.

The custodian of the Client's account[s] provides each Client with a statement, at least quarterly, indicating separate line items for all amounts disbursed from the Client's account[s], including any fees paid directly to Legacy Capital.

Clients may make additions to and withdrawals from their account at any time, subject to Legacy Capital's right to terminate an account. Additions may be in cash or securities provided that the Advisor reserves the right to liquidate transferred securities or decline to accept particular securities into a Client's account. Clients may withdraw account assets at any time on notice to Legacy Capital, subject to the usual and customary securities settlement procedures. However, the Advisor generally designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a Client's investment objectives. Legacy Capital may consult with its Clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g. contingent deferred sales charges) and/or tax ramifications.

## *Financial Planning Services*

Financial planning fees may be invoiced up to fifty percent (50%) of the expected total fee upon execution of the financial planning agreement. The balance shall be invoiced upon completion of the agreed upon deliverable[s].

## *Retirement Plan Advisory Services*

Retirement plan advisory fees may be directly invoiced to the Plan Sponsor or deducted from the assets of the Plan, depending on the terms of the retirement plan advisory agreement.

### **C. Other Fees and Expenses**

For assets in the Legacy Wrap Fee Program, Clients may incur certain fees or charges imposed by third parties in connection with investments made on behalf of the Client's account[s].

Legacy includes Covered Costs as part of its overall investment advisory fee through the Legacy Wrap Fee Program. Securities transaction fees for Client-directed trades may be charged back to the Client. Please see Item 4.D. above as well as Appendix 1 – Wrap Fee Program Brochure.

For assets not in the Legacy Wrap Fee Program, in addition to Legacy Capital's advisory fee, Clients will be responsible for the fees and expenses of the custodian[s], underlying mutual funds, External Managers and their platform manager (if any), transfer taxes, odd lot differentials, exchange fees, interest charges, ADR processing fees, and any charges, taxes or other fees mandated by any federal, state or other applicable law, retirement plan account fees (where applicable), electronic fund and wire fees. Clients should review the applicable prospectuses for additional information about fund fees and expenses. Legacy Capital's recommended Custodian does not charge securities transaction fees for ETF and equity trades in Client's accounts, provided that the account meets the terms and conditions of the Custodian's brokerage requirements. However, the Custodian typically charges for mutual funds and other types of investments. For External Managers, Clients should review each manager's Form ADV 2A disclosure brochure and either the contract they sign with the External Manager (in a dual contract relationship) or their Statement of Investment Selection (in a single contract relationship) for additional information about fees and expenses charged.

### **D. Prepayment of Fees**

#### **Investment Management Services**

As noted in Item 5(B) above, Legacy Capital's advisory fees generally are paid in advance. Either party may terminate the investment advisory agreement, at any time, by providing advance written notice to the other party. The Client may also terminate the investment advisory agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. The Advisor will refund any unearned, prepaid investment advisory fees from the effective date of termination to the end of the quarter. The Client's investment advisory agreement with the Advisor is non-transferable without the Client's prior consent. Upon the termination of a Client's advisory relationship, Legacy Capital will issue a refund equal to any unearned management fee for the remainder of the quarter. The Client may specify how he/she would like such refund issued (i.e., a check sent directly to the Client or a check sent to the Client's custodian for deposit into his/her account).

#### **Financial Planning Services**

Legacy Capital requires an advance deposit as described above. Either party may terminate the financial planning agreement by providing advance written notice to the other party. The Client may also terminate the financial planning agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. Upon termination, the Client shall be billed for the percentage of the engagement scope completed by the Advisor. The Advisor will refund any unearned, prepaid planning fees from the effective date of termination. The Client's financial planning agreement with the Advisor is non-transferable without the Client's prior consent.

#### Retirement Plan Advisory Services

Legacy Capital is compensated for its services at the beginning or the end of the quarter in which retirement plan advisory services are rendered. Either party may terminate the retirement plan advisory agreement, at any time, by providing advance written notice to the other party. Upon termination, the Client shall be responsible for investment advisory fees up to and including the effective date of termination. The Advisor will refund any unearned, prepaid investment advisory fees from the effective date of termination to the end of the quarter. The Client's retirement plan advisory agreement with the Advisor is non-transferable without the Client's prior consent.

### **E. Outside Compensation for Sale of Securities or Other Investment Products to Clients**

Legacy Capital does not buy or sell securities and does not receive any compensation for securities transactions in any Client account, other than the investment advisory fees noted above.

Certain representatives who provide investment advice to Clients (our "Advisory Persons") may also be registered representatives of Purshe Kaplan Sterling Investments, Inc. ("PKS") a FINRA-registered broker-dealer and member of SIPC.

An Advisory Person who is a registered representative of PKS will implement securities transactions on a commission basis through PKS. In such instances, the Advisory Person will receive commission-based compensation in connection with the purchase and sale of securities, as well as a share of any ongoing distribution or service (trail) fees, including 12b-1 fees for the sale of investment company products. Compensation earned by the Advisory Person in his or her capacity as a registered representative is separate from and in addition to Legacy Capital's advisory fee. The receipt of such compensation by an Advisory Person presents a conflict of interest as an Advisory Person who is a registered representative may have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on Client needs. To mitigate these conflicts, Clients are under no obligation to purchase securities products through

PKS or Advisory Persons who are registered representatives or otherwise engage such persons and may choose brokers or agents not affiliated with Legacy Capital or PKS. Further, Legacy Capital will not charge an ongoing investment advisory fee on assets purchased by a Client through an Advisory Person acting in their capacity as a registered representative.

Certain Advisory Persons of Legacy Capital are also be licensed as insurance professionals through Legacy Capital Group Arkansas, LLC. Such persons earn commission-based compensation for selling insurance products to Clients. Insurance commissions earned by Advisory Persons who are insurance professionals are separate from and in addition to Legacy Capital's advisory fee. This practice presents a conflict of interest as an Advisory Person who is an insurance professional may have an incentive to recommend insurance products for the purpose of generating commissions rather than solely based on Client needs. Clients are under no obligation to purchase insurance products through any person affiliated with Legacy Capital.

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

Legacy Capital does not charge performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of a capital gains or capital appreciation of a Client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Legacy Capital's fees are calculated as described in Item 5 above.

### **Item 7 - Types of Clients**

Legacy Capital offers personalized investment advisory services to individuals, high net worth individuals, families, family offices, trusts, businesses, charitable foundations, nonprofit organizations and retirement/profit-sharing plans. Legacy Capital generally requires a minimum balance of assets under management per household of \$500,000; this requirement may be waived solely in the discretion of the Advisor.

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

#### **A. Methods of Analysis and Risk of Loss**

A primary step in Legacy Capital's investment strategy is getting to know the Clients – to understand the Client's financial condition, risk profile, investment goals, tax situation, liquidity constraints – and assemble a complete picture of their financial situation. To aid in this understanding, Legacy Capital offers Clients financial planning services to its Clients that is highly customized and tailored. This comprehensive, holistic approach is integral to the way that Legacy Capital does business. Once Legacy Capital has a true understanding of its Clients' needs and

goals, the investment process can begin, and the Advisor can recommend strategies and investments that it believes are aligned with the Client's goals and risk profile.

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

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

Client portfolios with similar investment objectives and asset allocation goals may own different securities and investments. The Client's portfolio size, tax sensitivity, desire for simplicity, income needs, long-term wealth transfer objectives, time horizon and choice of custodian are all factors that influence Legacy Capital's investment recommendations.

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

## **B. Material Risks Involved**

All investments and investment programs have a variety of risks that are borne by the investor. As such, there can be no assurance that any investment strategy will prove profitable or successful. A Client can lose all or a substantial portion of his/her investment. A Client should be willing to bear such a loss. Some investments are intended only for sophisticated investors and can involve a high degree of risk.

The following risks could cause equities, fixed-income securities, mutual funds, ETFs, alternative investments, and other investments in Client portfolios to decrease in value:

- **Market Risk**: The price of an equity security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, changes in political, economic and social conditions may trigger adverse market events.
- **ETF Risk**: The performance of ETFs is subject to market risk, including the possible loss of principal. The price of the ETFs will fluctuate with the price of the underlying

securities that make up the funds. In addition, ETFs have a trading risk based on the loss of cost efficiency if the ETFs are traded actively and a liquidity risk if the ETFs have a large bid-ask spread and low trading volume. The price of an ETF fluctuates based upon the market movements and may dissociate from the index being tracked by the ETF or the price of the underlying investments. An ETF purchased or sold at one point in the day may have a different price than the same ETF purchased or sold a short time later.

- Mutual Fund Risk: The performance of mutual funds is subject to market risk, including the possible loss of principal. The price of the mutual funds will fluctuate with the value of the underlying securities that make up the funds. The price of a mutual fund is typically set daily therefore a mutual fund purchased at one point in the day will typically have the same price as a mutual fund purchased later that same day.
- Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Event Risk: An adverse event affecting a particular company or that company's industry could depress the price of a Client's investments in that company's stocks or bonds. The company, government or other entity that issued bonds in a Client's portfolio could become less able to, or fail to, repay, service or refinance its debts, or the issuer's credit rating could be downgraded by a rating agency. Adverse events affecting a country, including political and economic instability, could depress the value of investments in issuers headquartered or doing business in that country.
- Liquidity Risk: Securities that are normally liquid may become difficult or impossible to sell at an acceptable price during periods of economic instability or other emergency conditions. Some securities may be infrequently or thinly traded even under normal market conditions.
- Leverage Risk: The use of leverage may lead to increased volatility of a fund's NAV and market price relative to its common shares. Leverage is likely to magnify any losses in the trust/fund's portfolio, which may lead to increased market price declines. Fluctuations in interest rates on borrowings or the dividend rates on preferred shares that take place from changes in short-term interest rates may reduce the return to common shareholders or result in fluctuations in the dividends paid on common shares. There is no assurance that a leveraging strategy will be successful.
- Domestic and/or Foreign Political Risk: The events that occur in the U.S. relating to politics, government, and elections can affect the U.S. markets. Political events occurring

in the home country of a foreign company such as revolutions, nationalization, and currency collapse can have an impact on the security.

- Inflation Risk: Countries around the globe may be more, or less, prone to inflation than the U.S. economy at any given time. Companies operating in countries with higher inflation rates may find it more difficult to post profits reflecting its underlying health.
- Currency Risk: Overseas investments are subject to fluctuations in the value of the U.S. dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- Reinvestment Risk: This risk is that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- Operational Risk: Fund Advisors and other ETF service providers may experience disruptions or operating errors such as processing errors or human errors, inadequate or failed internal or external processes, or systems or technology failures, that could negatively impact the ETF.
- Regulatory/Legislative Developments Risk: Regulators and/or legislators may promulgate rules or pass legislation that places restrictions on, adds procedural hurdles to, affects the liquidity of, and/or alters the risks associated with certain investment transactions or the securities underlying such investment transactions. Such rules/legislation could affect the value associated with such investment transactions or underlying securities
- Illiquid Securities: Investments in hedge funds and other private investment funds may underperform publicly offered and traded securities because such investments:
  - Typically require investors to lock-up their assets for a period and may be unable to meet redemption requests during adverse economic conditions;
  - Have limited or no liquidity because of restrictions on the transfer of, and the absence of a market for, interests in these funds;
  - Are more difficult to monitor and value due to a lack of transparency and publicly available information about these funds;
  - May have higher expense ratios and involve more inherent conflicts of interest than publicly traded investments; and

- Involve different risks than investing in registered funds and other publicly offered and traded securities. These risks may include those associated with more concentrated, less diversified investment portfolios, investment leverage and investments in less liquid and non-traditional asset classes.

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

#### *Use of Mutual Funds and ETFs:*

The risk of ownership of fund shares generally depends on the asset class and number of securities held by the fund. Funds generally own securities and therefore also involve the risk of loss that is inherent in investing in securities. The risks also may be significantly increased if a mutual fund pursues an alternative investment strategy, which may involve special risks associated with short sales, leveraging the investment, potential adverse market forces, regulatory changes, and potential illiquidity. Investing in alternative strategies presents the opportunity for significant losses. Returns on mutual fund investments are reduced by management costs and expenses. Mutual funds also are subject to the individual risks described in their prospectus.

An ETF's risks include declining value of the securities held by the ETF, adverse developments in the specific industry or sector that the ETF tracks, capital loss in geographically focused funds because of unfavorable fluctuation in currency exchange rates, differences in generally accepted accounting principles, economic or political instability, tracking errors (the difference between the return of the ETF and the return of its benchmark), and trading at a premium or discount, meaning the difference between the ETF's market price and net asset value ("NAV"). ETFs also are subject to the individual risks described in their prospectus.

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

#### *Use of Independent Managers*

Legacy Capital may select certain External Manager[s] to manage a portion of its Clients' assets. In these situations, Legacy Capital conducts due diligence of such managers, but the success of



such recommendations relies to a great extent on the External Managers' ability to successfully implement their investment strategies. Legacy Capital generally does not have the ability to supervise the External Managers on a day-to-day basis. Legacy Capital does not perform independent due diligence on the External Managers it recommends for Client accounts; rather, it relies on the due diligence on such managers performed by platform managers.

### **Item 9 – Disciplinary Information**

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

The Advisor encourages Clients to perform the requisite due diligence on any advisor or service provider that the Client engages. The backgrounds of the Advisor and its Advisory Persons are available on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD# 291960.

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

#### *Registrations with Broker-Dealer*

As detailed in Item 5, certain Advisory Persons providing investment advice on behalf of Legacy Capital are registered representatives with PKS, a securities broker-dealer, and a member of FINRA and SIPC. In such instances, the Advisory Person will receive commission-based compensation in connection with the purchase and sale of securities, as well as a share of any ongoing distribution or service (trail) fees, including 12b-1 fees for the sale of investment company products. Compensation earned by the Advisory Person in his or her capacity as a registered representative is separate from and in addition to Legacy Capital's advisory fee. The receipt of such compensation by an Advisory Person presents a conflict of interest as an Advisory Person who is a registered representative may have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on Client needs. To mitigate these conflicts, Clients are under no obligation to purchase securities products through PKS or Advisory Persons who are registered representatives or otherwise engage such persons and may choose brokers or agents not affiliated with Legacy Capital or PKS.

#### *Recommendation of External Managers*

Legacy Capital may recommend that Clients use External Managers based on the Client's needs and suitability. Legacy Capital does not receive separate compensation, directly or indirectly, from

such external managers for recommending that Clients use their services. Legacy Capital does not have any other business relationships with the recommended External Managers.

### *Licensed Insurance Agents*

As detailed in 5, certain Advisory Persons are licensed insurance agents with Legacy Capital Group Arkansas, LLC, an affiliate of Legacy Capital, and offer certain insurance products on a fully-disclosed commissionable basis. A conflict of interest exists to the extent that Legacy Capital recommends the purchase of insurance products where its Advisory Persons may be entitled to insurance commissions or other additional compensation. Clients are under no obligation to purchase insurance products through any person affiliated with Legacy Capital. The Advisor has procedures in place whereby it seeks to ensure that all recommendations are made in its Clients' best interest regardless of any such affiliations.

### *Comprehensive Services*

As a part of Legacy's Comprehensive Services which includes direct interaction and coordination with third parties including, but not limited to, the clients' accountant and attorney, the fees charged by these third parties will be paid by the Advisor to the third parties from Advisory fees paid to the Advisor pursuant to the Investment Management Agreement.

## **Item 11 – Code of Ethics, Participation or Interest in Client Transactions**

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

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

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

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

## **Item 12 – Brokerage Practices**

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

Client assets must be maintained in an account at a “Qualified Custodian.” Legacy Capital generally recommends that its investment management Clients utilize the custody and brokerage services of an unaffiliated broker-dealer custodian as its broker-dealer/custodian (herein collectively the “Custodian”) with which Legacy Capital has an institutional relationship. Currently, this includes Schwab Advisor Services, a division of Charles Schwab & Co., Inc. (“Schwab”) and Fidelity Clearing & Custody Solutions, and related entities of Fidelity Investments, Inc. (collectively “Fidelity”), which both are a “Qualified Custodian” as that term is described in Rule 206(4)-2 of the Investment Advisers Act of 1940. Each Custodian provides custody of securities, trade execution, and clearance and settlement of transactions placed by Legacy Capital. If your accounts are custodied at Schwab or Fidelity, they will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While Legacy Capital recommends that Clients use Schwab or Fidelity as Custodian, Clients decide whether to do so and open accounts with Schwab or Fidelity by entering into an account agreement directly with Schwab or Fidelity.

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

- combination of transaction execution services along with asset custody service;
- order execution and the ability to provide accurate and timely execution, clearing and settlement of trades;
- capabilities to facilitate transfers and payments to and from accounts;
- the reasonableness and competitiveness of services, including commission rates and other fees and transaction costs;
- access to a broad range of investment products, including stocks, bonds, mutual funds, and exchange-traded funds;
- availability of investment research and tools that assist the Advisor in making investment decisions;
- quality of services;
- access to trading desks;
- technology that integrates within Legacy Capital’s environment, including interfacing with Legacy Capital’s portfolio management system;
- a dedicated service or back-office team and its ability to process requests from Legacy Capital on behalf of its Clients;

- ability to provide Legacy Capital with access to Client account information through an institutional website;
- ability to provide Clients with electronic access to account information and investment and research tools; and
- reputation, financial strength, and stability.

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

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

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

The Custodians also offer other services intended to help the Advisor manage and further develop our business enterprise. These services include:

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

The Custodians may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to the Advisor. The Custodians may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. The Custodians may

also provide the Advisor with other benefits such as occasional business entertainment of the Advisor's personnel.

Legacy Capital will periodically review its arrangements with the Custodians and other broker-dealers against other possible arrangements in the marketplace as it strives to achieve best execution on behalf of its Clients. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including, but not limited to, the following:

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

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

Legacy Capital's Clients may utilize qualified custodians other than Schwab for certain accounts and assets, particularly where Clients have a previous relationship with such qualified custodians.

## Brokerage for Client Referrals

Legacy Capital does not select or recommend broker-dealers based solely on whether or not it may receive Client referrals from a broker-dealer or third party.

## Client-Directed Brokerage

Generally, in the absence of specific instructions to the contrary, for brokerage accounts that Clients engage Legacy Capital to manage on a discretionary basis, Legacy Capital has full discretion with respect to securities transactions placed in the accounts. This discretion includes the authority, without prior notice to the Client, to buy and sell securities for the Client's account and establish and affect securities transactions through the Custodian of the Client's account or other broker-dealers selected by Legacy Capital. In selecting a broker-dealer to execute a Client's securities transactions, Legacy Capital seeks prompt execution of orders at favorable prices. Legacy Capital does not permit Clients to direct some or all of their brokerage transactions to a specific broker-dealer.

In addition to accounts managed by Legacy Capital on a discretionary basis where the Client has directed the brokerage of his/her account[s], certain institutional accounts may be managed by Legacy Capital on a non-discretionary basis and are held at custodians selected by the institutional Client. The decision to use a particular custodian and/or broker-dealer generally resides with the institutional Client. Legacy Capital endeavors to understand the trading and execution capabilities of any such custodian and/or broker-dealer, as well as its costs and fees. Legacy Capital may assist the institutional Client in facilitating trading and other instructions to the custodian and/or broker-dealer in carrying out Legacy Capital's investment recommendations.

## Trade Errors

Legacy Capital's goal is to execute trades seamlessly and in the best interests of the Client. In the event a trade error occurs, Legacy Capital endeavors to identify the error in a timely manner, correct the error so that the Client's account is in the position it would have been had the error not occurred, and, after evaluating the error, assess what action[s] might be necessary to prevent a recurrence of similar errors in the future.

Trade errors generally are corrected through the use of a "trade error" account or similar account at Schwab, or another broker-dealer, as the case may be. In the event an error is made in a Client account custodied elsewhere, Legacy Capital works directly with the broker in question to take corrective action. In all cases, Legacy Capital will take the appropriate measures to return the Client's account to its intended position.

## **B. Trade Aggregation**

To the extent that the Advisor determines to aggregate Client orders for the purchase or sale of securities, including securities in which the Advisor's Supervised Persons may invest, the Advisor will generally do so in a fair equitable manner in accordance with applicable rules promulgated under the Advisers Act and guidance provided by the staff of the SEC and consistent with policies and procedures established by the Advisor.

## **Item 13 – Review of Accounts**

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

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

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

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

### **B. Other Reviews**

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

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

Legacy Capital intends to provide quarterly performance reports to Clients within 30 days of the end of each calendar quarter. Additionally, Legacy Capital offers its Clients access to an online reporting platform that updates performance and holdings daily. Clients will also receive brokerage

statements no less than quarterly from the qualified custodian. These brokerage statements are sent directly from the custodian to the Client. The Client may also establish electronic access to the custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s]. The Client advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

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

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

#### *Participation in Institutional Advisor Platform*

Legacy Capital has engaged two qualified custodians and will generally recommend that portfolio management Clients establish accounts with either Schwab through its "Schwab Advisor Services" unit or Fidelity Clearing & Custody Solutions, and related entities of Fidelity Investments, Inc. (collectively "Fidelity"), both registered broker-dealers, member SIPC, to maintain custody of Clients' assets and to effect trades for their accounts.

#### Fidelity

Legacy Capital maintains an institutional relationship with Fidelity Clearing & Custody Solutions, and related entities of Fidelity Investments, Inc. (collectively "Fidelity") whereby Legacy Capital receives certain benefits. Legacy Capital may receive from Fidelity, without cost to Legacy Capital, computer software and related systems support, which allow Legacy Capital to better monitor Client accounts maintained at Fidelity, facilitate trade execution (and allocation of aggregated trade orders for multiple Client accounts), provide research, pricing information and other market data and assist with back-office functions, recordkeeping and Client reporting. Legacy Capital may receive the software and related support without cost because Legacy Capital renders investment management services to Clients that maintain assets at Fidelity.

Specifically, Legacy Capital may receive the following benefits from Fidelity: receipt of duplicate Client confirmations and bundled duplicate statements, access to a trading desk that exclusively services its Registered Investment Adviser Group participants and access to an electronic communication network for Client account information. In addition, Fidelity also makes available to Legacy Capital other services intended to help Legacy Capital manage and further develop its business enterprise. These services may include publications and conferences on practice management, information technology and regulatory compliance.

Legacy Capital is independently owned and operated and not affiliated with Fidelity. Fidelity provides Legacy Capital with access to its institutional trading and custody services, which are typically not available to Fidelity retail investors. These services are generally available to



independent investment advisors on an unsolicited basis and are not otherwise contingent upon Legacy Capital committing to Fidelity any specific amount of business (assets in custody or trading).

For Legacy Capital's Client accounts maintained there, Fidelity is compensated through commissions or other transaction-related fees for securities trades that are executed through Fidelity or that settle into Fidelity accounts. The brokerage commissions and/or transaction fees charged by Fidelity or any other designated broker-dealer are exclusive of and in addition to Legacy Capital's fees.

Any commissions paid by Legacy Capital's Clients shall comply with Legacy Capital's duty to obtain "best execution." However, a Client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Legacy Capital determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while Legacy Capital will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for Client transactions.

#### Charles Schwab Advisor Services

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

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

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

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

## **B. Compensation for Client Referrals**

Legacy Capital does not compensate, either directly or indirectly, any persons who are not supervised persons, for Client referrals.

### **Item 15 – Custody**

All Clients must utilize a “qualified custodian” as detailed in Item 12. Clients are required to engage the custodian to retain their funds and securities and direct Legacy Capital to utilize the custodian for the Client’s securities transactions. Legacy Capital’s agreement with Clients and/or the Clients’ separate agreement with the Custodian may authorize Legacy Capital through such Custodian to debit the Client’s account for the amount of Legacy Capital’s fee and to directly remit that fee to Legacy Capital in accordance with applicable custody rules.

The Custodian recommended by Legacy Capital has agreed to send a statement to the Client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Legacy Capital. Legacy Capital encourages Clients to review the official statements provided by the custodian, and to compare such statements with investment reports received from Legacy Capital. For more information about Custodians and brokerage practices, see Item 12 – Brokerage Practices.

### **Item 16 – Investment Discretion**

Clients have the option of providing Legacy Capital with investment discretion on their behalf, pursuant to a grant of a limited power of attorney contained in Legacy Capital’s Client agreement. By granting Legacy Capital investment discretion, a Client authorizes Legacy Capital to direct securities transactions and determine which securities are bought and sold, the total amount to be

bought and sold, and the costs at which the transactions will be effected. Clients may impose reasonable limitations in the form of specific constraints on any of these areas of discretion with the consent and written acknowledgement of Legacy Capital. See also Item 4.C., Client-Tailored Advisory Services.

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

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

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

#### **A. Balance Sheet**

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

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

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

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

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