

## Introduction

Legacy Capital Group California, Inc. (“Legacy”) and REACT Investment Solutions, LLC (“REACT”) are affiliated investment advisers registered with the Securities and Exchange Commission offering advisory accounts and services. Brokerage and investment advisory services and fees differ, and it is important that you understand the difference. This document gives you a summary of the types of services and fees we offer. Please visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for free, simple tools to research firms and for educational materials about broker-dealers, investment advisers, and investing.

## What investment services and advice can you provide me?

Legacy primarily offers the following investment advisory services to retail clients: portfolio management (we review your portfolio, investment strategy, and investments) and financial planning (we assess your financial situation and provide advice to meet your goals). REACT makes recommendations in the selection of other advisers (we recommend a third party manager for you to use). As part of our portfolio management service, we typically monitor client accounts on a daily basis. We do not monitor your investments for the standalone Financial Planning & Consulting service.

The firms have discretionary management without any material limitations. After you sign an agreement with our firm, we’re allowed to buy and sell investments in your account without asking you in advance. We will have discretion until the advisory agreement is terminated by you or our firm.

We limit the types of investments that are recommended since we believe not every type of investment vehicle is needed to create an appropriate portfolio. Legacy has a household minimum of \$500,000, but does *not* have a minimum account size. Regardless, we reserve the right to accept or decline a potential client for any reason in our sole discretion. Please also see our Form ADV Part 2A (“[Legacy Brochure](#)”, “[REACT Brochure](#)”), specifically Items 4 & 7.

### Questions to Ask Us:

- Given my financial situation, should I choose an investment advisory service? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education and other qualifications? What do those qualifications mean?

## What fees will I pay?

Our fees vary depending on the services you receive. Legacy’s financial planning fees are charged up front and are based on the amount of work we expect to perform for you, so material changes in that amount of work will affect the fee we quote you. REACT’s portfolio management fees are asset-based and typically charged on an average daily balance basis and paid in arrears. The more assets you have in your advisory account, the more you will pay us. We therefore have an incentive to increase the assets in your advisory account in order to increase our fees. Our firm’s fees will be automatically deducted from your advisory account, which will reduce the value of your advisory account. REACT’s fees are exclusive of brokerage commissions, transaction fees and other related costs and expenses which shall be incurred by you. In addition, the fees charged to you by the money manager/investment/platform may include performance fees. Performance fees will only be collected by the fund manager in the case of an alternative investment such as a hedge fund, which will be disclosed to you prior to investing. We charge an hourly or flat fee for Financial Planning & Consulting services. Please also see Items 4, 5, 6, 7 & 8 of our [Legacy Brochure](#), [REACT Brochure](#).

Some investments (e.g., mutual funds, variable annuities, etc.) impose additional fees (e.g., transactional fees and product-level fees) that reduce the value of your investment over time. The same goes for any additional fees you pay to a custodian. **You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.** Please also see our [Legacy Brochure](#), [REACT Brochure](#) for additional details.

### Questions to Ask Us:

- Help me understand how these fees and costs may affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs and how much will be invested for me?



**What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?**

*When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means:*

- Legacy's financial planning investment recommendations are carried out via the platform of REACT. Given the relationship between Legacy and REACT, Legacy has an incentive to use REACT to provide services over other firms.
- Legacy and REACT receive compensation in the form of revenue sharing from third parties for recommending certain investments, thus we have an incentive to recommend those investments over other choices.
- REACT receives compensation in the form of fee sharing from third parties, thus we have an incentive to recommend those third parties over other choices.
- REACT receives compensation in the form of referral fees from third parties, thus we have an incentive to recommend certain third parties to our clients and we utilize unaffiliated third party solicitors to solicit prospective clients and pay such solicitors a percentage of the fees earned from these solicited clients

Please also see Item 10 of our [Legacy Brochure](#), [REACT Brochure](#) for additional details.

**Questions to Ask Us:**

- How might your conflicts of interest affect me, and how will you address them?

**How do your financial professionals make money?**

The majority of our financial professionals are paid on a salaried basis and is not dependent of factors such as the amount of client assets they service, new clients obtained and/or an increase in client assets supervised by the professional, or the time and complexity required to meet a client's needs. Some of our financial professionals are paid a percentage of the revenue earned by the firm on the client assets managed and/or serviced by the specific financial professional. Additionally, our principals and financial professionals are registered with Lion Street Financial, a registered broker-dealer and member of Financial Industry Regulatory Authority ("FINRA"). As registered representatives they receive commission-based compensation for certain investment products sold to clients. An incentive exists to utilize products which contain both a commission element as well as an advisory element. Certain of our financial professionals are also licensed insurance agents and in that capacity may recommend the purchase of certain insurance products to our clients. These financial professionals earn commissions for the sale of insurance products and, therefore, this presents a conflict of interest because these financial professionals in their role as insurance agents are incentivized to make insurance product recommendations based on the compensation received rather than on a client's needs. For additional information regarding our financial professionals' activities as registered representatives of an unaffiliated broker-dealer and insurance agents please refer to Item 10 of Legacy's Brochure and REACT's Brochure.

**Do you or your financial professionals have legal or disciplinary history?**

Yes, we do have legal and disciplinary events disclosed. Visit [Investor.gov/CRS](https://investor.gov/CRS) for a free and simple search tool to research our firm and our financial professionals.

**Questions to Ask Us:**

- As a financial professional, do you have any disciplinary history? For what type of conduct?

**Additional Information**

You can find additional information about our firm's investment advisory services on the SEC's website at <https://adviserinfo.sec.gov> by searching CRD# 111436 for Legacy and CRD# 150801 for REACT. You may also contact our firm at 408-399-6330 to request a copy of this relationship summary and other up-to-date information.

**Questions to Ask Us:**

- Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?