



LEGACY CAPITAL GROUP  
CALIFORNIA<sup>®</sup>

**Legacy Capital Group California, Inc.**  
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**Form ADV Part 2A – Disclosure Brochure**  
**April 22, 2026**

This Brochure provides information about the qualifications and business practices of Legacy Capital Group California. If you have any questions about the contents of this Brochure, please contact us at 408-399-6330 or [info@lcgca.com](mailto:info@lcgca.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Legacy Capital Group California is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information which you can use to determine to hire or retain an Adviser.

Additional information about Legacy Capital Group California also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching CRD # 111436.

## Item 2 – Material Changes

This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The following material changes have been made to our Firm’s Disclosure Brochure since our last annual Amendment Filing dated April 7, 2025

- Lion Street Financial, LLC has changed its name to Integrity Alliance, LLC (“Integrity Alliance”). This change has been incorporated throughout the brochure.
- Sean Buxton has resigned from our firm. This change has also been incorporated throughout this brochure.
- Item 4 Advisory Business – Due to recent DOL Announcement, in March 2026, this item was updated to remove language related to IRA and Retirement Plan Clients regarding Title I.
- Item 7 – Types of Clients – This item has been updated to reflect that Legacy Capital Group California also provides advice to Pooled Investment Vehicles.
- Item 10 – Other Financial Industry Activities and Affiliations – The list of Money Managers, Investments and Hedge Funds has been updated to reflect changes in names and availability.
- Item 12 – Brokerage Services – This item has been updated to reflect Legacy Capital Group California’s relationship with Charles Schwab & Co. Inc. (“Schwab”) through its affiliation with REACT

Currently, a free copy of our Brochure can be requested by contacting us at 408-399-6330 or [info@lcgca.com](mailto:info@lcgca.com).

We encourage the client to read this document in its entirety.

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#### **Item 4 – Advisory Business**

Legacy Capital Group California started as an early shared vision between Richard Baer and Brent Bunger and the two officially formed Legacy Capital Group California in 1992.

Richard Baer and Brent Bunger are the principal owners of Legacy Capital Group California, Inc., each owning 47.5% of the privately held company along with Andy Baugh who is a 5% minority owner.

They created a company based on the guiding principle that the wealth of a client belongs to that client; it is their money and their choice what they do with it. Legacy Capital Group California's job is to assist them in making the right decisions for their dreams, their life, and their legacy.

Legacy Capital Group California does:

- furnish investment advice through consultations
- on more than an occasional basis, furnish advice to clients on matters not involving securities
- furnish advice about securities, money managers and managed accounts.

Legacy Capital Group California does not:

- manage investment advisory accounts not involving investment supervisory services
- issue periodicals about securities by subscription
- issue special reports about securities not included in any service described above
- provide a timing service
- participate in any defined wrap-fee programs

Legacy Capital Group California does not take custody of any client asset. Based on the custodian account application (for example Fidelity), discretionary authority is granted to the adviser. That discretionary authority is also granted, via the custodian's application, to the Money Manager(s) selected to manage the client's assets. Legacy Capital Group California will recommend to the client the Money Manager(s) to use along with other investment opportunities, as well as the percentage to allocate to each recommendation.

Legacy Capital Group California does not offer or sponsor a wrap fee program.

The total assets Legacy Capital Group California is providing assistance, advice, and recommendations for on a discretionary basis as of February 28, 2026 is \$535,737,470

#### **Item 5 – Fees and Compensation**

The specific manner in which fees are charged by Legacy Capital Group California is established

through a client's written agreement with us. Legacy Capital Group California will usually charge a planning fee of \$5,000 for individuals and is due at the time the planning agreement is entered into. In the case of an extremely complicated plan, or a plan for a business, the typical fee could be increased and/or combined with hourly consulting fees. In any case, the fee will be quoted and agreed upon in writing prior to any work being performed. Legacy Capital Group California typically provides financial reporting and back-office services through its affiliate, REACT Investment Solutions, LLC ("REACT"). In addition, financial planning investment recommendations provided by Legacy are carried out via the REACT platform. The REACT fee schedule, described below, applies to such recommendations. Given the relationship between Legacy and REACT, Legacy has an incentive to use REACT to provide services over other firms. Such firms could charge lower fees for similar services.

All fees are subject to negotiation.

Legacy Capital Group California fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients will likely incur certain charges imposed by custodians, brokers, third party investments, and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfers and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus.

Such charges, fees and commissions are exclusive of and in addition to Legacy Capital Group California's planning fee. In certain circumstances, Legacy Capital Group California will also receive a portion of the fees the money manager, investment and/or platform collects from the investor or investor's account.

These fees and/or commissions provide Legacy Capital Group California's primary compensation.

Legacy Capital Group's principals, Richard Baer, and Brent Bunger receive commissions from any insurance product for which they act as agent. The commissions received by them do not have any impact on the price you pay for insurance premiums. The commissions are paid to Mr. Baer and Mr. Bunger directly by the insurance company and do not increase your fees or premiums.

Nonetheless, these commissions create an incentive for Mr. Baer and Mr. Bunger to recommend these products over other products, which could be cheaper. The commission received are typically between .5% and 10% of the face value of the insurance coverage. Depending on the product, the commission structure could be different.

Legacy Capital Group's principals, Richard Baer and Brent Bunger will receive commissions from any securities product placed through their broker dealer, Integrity Alliance. The security products placed through Integrity Alliance by Mr. Baer and Mr. Bunger's broker-dealer, currently are variable annuities, 529 Plans, Axcelus International Private Placement Life Insurance and Axcelus International Private Placement variable annuities. The commissions received by Mr. Baer and Mr. Bunger do not have any impact on the price you pay for the securities product. The commissions are

paid to Mr. Baer and Mr. Bunger by Integrity Alliance and do not increase your Legacy Capital Group fees or expenses. These commissions create an incentive for Mr. Baer and Mr. Bunger to recommend these products over other similar products, which could be cheaper. The commissions received are typically between 0% and 10% of the value of the initial investment. Depending on the product, the commission structure could be different.

Legacy Capital Group's principals, Richard Baer and Brent Bunger will receive commissions via the broker dealer Integrity Alliance as well as money management/asset management fees from all Axcelus International Private Placement products. For Axcelus International Private Placement Variable Life products, Mr. Baer and Mr. Bunger will receive a portion no greater than 20% of the mortality and expense fees collected by Axcelus International. These commissions are separate and in addition to advisory fees charged by Legacy. This practice presents a conflict of interest because persons providing investment advice on behalf of firms who are insurance agents and/or registered representatives of broker-dealers, have an incentive to recommend products to clients for the purpose of generating commissions rather than solely based on a client's needs. The commissions and portion of mortality and expense fees received by Mr. Baer and Mr. Bunger do not have any impact on the price you pay for insurance premiums. The commissions and portion of mortality and expense fees are paid to Mr. Baer and Mr. Bunger via the broker dealer, Integrity Alliance, and do not increase your fees or premiums. The commission received are typically between .25% and 3% of the face value of the insurance coverage and/or annuity. Depending on the product, the commission structure can vary slightly. A conflict of interest exists such that Mr. Baer and Mr. Bunger receive commissions individually as well as asset management fees via their RIA Legacy Capital Group California. Receiving this dual compensation could create an incentive for Legacy Capital Group California to recommend investments which are eligible for commissions as well as asset management fees.

The fee collection frequency, fee rate and manner will be detailed in each investment agreement and could be different between investments. The fees charged by the money manager/investment/platform could 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. The alternative investment fund manager can share a portion of the performance fee with Legacy Capital Group California or its affiliate, REACT.

Legacy Capital Group California is affiliated with REACT Investment Solutions, LLC via similar ownership, shared office space, and shared employees. REACT's platform fee schedule is as follows and the fee schedule a client pays for investments will be included in all allocation recommendations:

Assets from \$0 - \$1,000,000 charged at 2.0%  
Assets from \$1,000,001 - \$4,000,000 charged at 1.5%  
Assets \$4,000,001 - \$7,000,000 charged at 1%  
Assets \$7,000,000 and greater charged at .9%

Accounts falling under this agreement but not managed via an SMA by a third-party money manager *may* have a different fee schedule which will be disclosed at the time the recommendation is made to the Client. Potential fee schedules are noted here. While this is a comprehensive list of fee schedules that fall outside the standard, a situation may arise in which a different fee is the best for a one-off situation. If that is the case, it will be disclosed in writing prior to the time any investments are made.

Please note if an investment falls outside the standard fee schedule, it will not be included as part of the household totals for purposes of calculating the standard tiered fee schedule.

- Active Income Strategies: flat 75 bps (.75%)
- Axcelus Private Placement Annuity accounts: flat 1.25% except active income, which is 75 bps (.75%)
- Axcelus Private Placement Life accounts: flat 1.45% except active income, which is 75 bps (.75%)
- Recommended Mutual Fund for accounts less than \$100,000: flat 25bps (.25%)
- Recommended Mutual Fund for accounts greater than \$100,000: flat 50bps (.5%)
- Buffered Funds: 50bps (.5%)
- Custom passive allocation: 1%
- Treasuries: no fees collected

REACT fees are exclusive of brokerage commissions, transaction fees, asset based pricing fees, and other related costs and expenses which shall be incurred by the client. Clients could incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus.

The fees a client will pay for certain investments are not governed by the above fee schedule. In such cases, a client will be required to sign an additional form outlining the separate fee schedule prior to any investment being made. Furthermore, Legacy, in its sole discretion could reduce or waive any portion of its management fee as it sees fit.

Such charges, fees and commissions are exclusive of and in addition to REACT's fees. REACT can, in place of the fee schedule noted above, receive a portion of the fees that a money manager and/or Investment directly collects from the investor or investor's account. Those fees will be shared with Legacy Capital Group.

The fee collection frequency and manner will be detailed in each investment agreement and can be different for each type of investment. Typically, however, the fees are, as stated above, calculated in arrears, and deducted on a quarterly basis directly from the investor's brokerage account. As part of this process, Clients understand the following:

- a) The client's independent custodian sends statements at least quarterly showing the market values for each security included in the Assets and all account disbursements, including the

- amount of the advisory fees paid to our firm;
- b) Clients will provide authorization permitting our firm to be directly paid by these terms. Our firm will send an invoice directly to the custodian; and
  - c) If our firm sends a copy of our invoice to the client, a legend urging the comparison of information provided in our statement with those from the qualified custodian will be included.

The fees charged by the money manager/investment can 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. The alternative investment fund manager can share a portion of the performance fee with REACT. A portion of the fees REACT receives will be shared with Legacy.

REACT collects fees from Legacy Capital Group California's client's accounts; from the amount collected, or from the money managers. The collected fees that remain after paying the money managers and investments are paid out at 65% to Legacy Capital Group California and REACT retains the remaining amount. If the account has been presented to Legacy via a solicitor with a Solicitor's Agreement in place with Legacy, the solicitor's fee is taken from the 65% allotted for Legacy.

Either party can terminate the advisory agreement signed with our firm at any time. Upon notice of termination, pro-rata advisory fees for services rendered to the point of termination will be charged. If advisory fees cannot be deducted, our firm will send an invoice for due advisory fees to the client.

#### **Written Feasibility Studies:**

Legacy Capital Group California provides written feasibility studies for the analysis and design component of its practice. These reports could include tax projection estimates prepared in-house or in conjunction with outside tax counsel. These reports can also include:

- \* Financial Projections
- \* Cash Flow Estimates
- \* Tax Projection Estimates
- \* Portfolio Allocations and Reallocations
- \* Strategies for Estate/Tax Planning
- \* Philanthropic Estate/Tax Planning
- \* Life Insurance Analysis and Recommendations
- \* Employee Stock Option Exercise and Tax Strategies
- \* Retirement Anticipation Planning

Legacy Capital Group California charges on an hourly or flat fee basis for financial planning and consulting services. The total estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of our engagement with the client. Hourly consulting is available on a case by case basis for \$200 - \$500. Flat fees for individuals range from \$2,500 to \$10,000. Flat fees for businesses

range from \$5,000 to \$25,000. The fee-paying arrangements will be determined on a case-by-case basis and will be detailed in the signed consulting agreement. Legacy Capital Group California will not require a retainer exceeding \$1,200 when services cannot be rendered within 6 months.

Financial planning & consulting clients can terminate their agreement at any time before the delivery of a financial plan by providing written notice. For purposes of calculating refunds, all work performed by Legacy Capital Group California up to the point of termination shall be calculated at the hourly fee currently in effect. Clients will receive a pro-rata refund of unearned fees based on the time and effort expended by Legacy Capital Group California.

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

Legacy Capital Group California does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

However, some of the investments it recommends could charge a performance fee. In such case, the Investment or Money Manager will enter into performance fee arrangements via their typical account/investment establishment paperwork with qualified clients. The Investment or Money Manager will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Investment Advisors Act of 1940 (The Advisors Act) in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. In measuring clients' assets for the calculation of performance-based fees, the Investment or Money Manager shall include realized and unrealized capital gains and losses. In certain instances, such as the Contravisory Fund LP (Long-Short Equity), Legacy Capital Group California will receive a portion of these performance fees via a payment to REACT. Whether or not a performance fee is received is typically based on a “hurdle rate”, meaning the performance must surpass a given rate before performance fees are assessed. The details are different for each investment and are outlined in the offering documents of the investment, which every investor receives prior to making the investment. Receiving a portion of performance based fee from the Investment or Money Manager creates an incentive for Legacy Capital Group California to recommend investments which could be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher performance fee paying accounts over other accounts in the allocation of investment opportunities. Legacy Capital Group California has procedures designed and implemented to ensure all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

### **Item 7 – Types of Clients**

Legacy Capital Group California provides investment advice to individuals, trusts, estates, charitable organizations, corporations or business entities, pooled investment vehicles and qualified plans.

The majority of clients Legacy Capital Group California advises are high net worth individuals and small business owners.

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

Investing in securities involves risk of loss that clients should be prepared to bear.

Legacy Capital Group California has always sought to protect client capital first and earn high returns second. Legacy Capital Group California has not changed its trade marked SafeBase® investment philosophy since inception.

Legacy Capital Group California employs several methods of analysis in selecting the Investment and/or Money Manager it recommends to clients:

- Charting
- Cyclical
- Fundamental
- Technical

The main sources of information Legacy Capital Group California uses include but are not limited to:

- Telephone, Internet based and/or in-person interviews with key individuals associated with the Investment or Money Manager
- Financial newspapers and magazines
- Annual reports, prospectuses, filings with the Securities and Exchange Commission
- Research materials prepared by others
- Company press releases
- Data Bases containing investment analysis and other third party information providers

The investment strategies used to implement any investment advice given to clients include but are not limited to:

- Long term purchases
- Margin transactions (securities held at least a year)
- Short term purchases (securities sold within a year)
- Active management
- Relative strength by sector

Legacy Capital Group California primarily recommends Money Managers and Investments that are actively managed. Legacy Capital Group California's additional focus is on risk management. Risk management is a key component in the overall recommendation for an investor's total portfolio. However, as a percentage of the overall investment portfolio, Legacy Capital Group California could recommend a Money Manager, Investment or strategy that does not fit into the definition of risk managed. These investments could carry a higher degree of risk of loss and investors should be aware of this increased risk.

## **Item 9 – Disciplinary Information**

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Legacy Capital Group California or the integrity of its management.

In 2019 and 2020, Legacy Capital Group California, & Messrs. Richard Baer and Brent Bunger were named in suits filed by former investors. In the 2019 case, the former advisory client alleged, among other claims, general negligence and breach of fiduciary duty. In the 2020 case, which also included broker dealer Integrity Alliance, with whom Messrs. Baer and Bunger are affiliated with, the former advisory clients alleged, among other claims, unsuitable recommendations. In 2018, Legacy Capital Group California & REACT, an affiliate of Legacy Capital Group California, were named in a suit filed by a former advisory client against one of REACT's owners, Richard Baer, along with the broker dealer Mr. Baer is affiliated with, Integrity Alliance. Legacy Capital Group California, REACT & Messrs. Baer and Bunger deny any and all allegations but in recognition that continuing to pursue the actions would be expensive and time consuming and solely to avoid the expense, inconvenience, distractions and inherent uncertainties associated with any arbitration proceeding as well as the legal fees and expenses that would be incurred, the parties finally and completely have settled all disputes between them. All suits related to a single investment for qualified investors that experienced loss during a time movement in the VIX Index, a proxy for implied volatility, reached record levels and illiquidity in the markets severely limited the investment's ability to reduce risk

More background information is available online on the Investment Advisor Public Disclosure website at <https://advisorinfo.sec.gov>

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

### **Other Business Activities & Affiliations:**

Richard E. Baer and Brent C. Bunger are registered representative producers with Integrity Alliance, member FINRA and SIPC. Clients are under no obligation to purchase securities products through Mr. Baer or Mr. Bunger or Integrity Alliance, LLC. Other staff members of Legacy Capital Group

California are also registered representatives, but not producers, with Integrity Alliance:

- Andy Baugh
- Justin Bunger
- Anthony “AJ” Robinson

Legacy Capital Group California’s ownership is as follows: Richard Baer (41.1%), Baer 2007 Charitable Remainder Trust via Baer Investment Partners (6.4%), Brent Bunger (47.5%), and Andy Baugh (5%).

Baer & Bunger Financial & Insurance Services, LLC (B&B) has been established to receive traditional life and disability insurance commissions. Legacy Capital Group California owns 98% of the LLC and Richard Baer and Brent Bunger each own 1% of the LLC.

459 Monterey Avenue, LLC owns an office building and Legacy Capital Group California and REACT occupy the first floor and half of the second floor. The remainder of the second floor is sub-leased. 459 Monterey Avenue, LLC will receive rental income for the leased property. Richard Baer (47.5%) and Brent Bunger (47.5%) and Andy Baugh (5%) own 459 Monterey Avenue, LLC.

REACT Investment Solutions (REACT) is a platform and an SEC registered RIA that provides research on Money Managers and other Investments, as well as back-office solutions. Clients of REACT are RIAs. Legacy Capital Group California is the primary client of REACT. REACT owners are: Richard Baer (37.5%), Brent Bunger (37.5%), Andy Baugh (20%) and Kim Lawson (5%).

REACT shares office space and some employees with Legacy Capital Group California. Investors should note a conflict of interest exists due to the similar ownership between Legacy Capital Group California and REACT. Legacy Capital Group California is greatly incentivized to use REACT over similar services.

Advisory clients are hereby advised:

- A conflict exists between the interests of Legacy Capital Group California and the interests of the client. The client is under no obligation to act upon the Investment Adviser's recommendation.
- If the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through the Investment Adviser.

Richard Baer and Brent Bunger are registered representatives and producers with Integrity Alliance, LLC., a registered Broker-Dealer and investment advisor. An inherent conflict of interest exists as Richard E. Baer and Brent C. Bunger will receive securities commissions in addition to advisory fees. Clients will be under no obligation to purchase securities through Brent C. Baer, Focus Financial Partners Brent C. Bunger or through Integrity Alliance, LLC.

Legacy Capital Group California has relationships that are material to its business with the following Money Managers, Investments and Hedge Funds:

- Focus Financial Partners/Kovitz Investment Group, Formerly Al Frank Asset Management
- Beacon Capital Management, formerly Astor Asset Management via Geowalth Advisor Services
- LoanEdge, formerly Casco Financial
- Contravisory Investment Management
- Axcelus International
- Niemann Capital Management via Fulcrum Equity Management
- NorthCoast Asset Management
- Crosspoint Capital Management
- Stonecrest Managers, Inc.
- Saratoga Research and Investment Management via Geowalth Advisor Services
- NASDAQ Dorsey Wright via Geowalth
- Churchill Management Group via Fulcrum
- Old West Investment Management

Legacy does not but Richard E. Baer and Brent C. Bunger along with other employees maintain resident insurance licenses. The corporate insurance license is in the name of Baer & Bunger Financial & Insurance Services, LLC. They sell insurance products to clients. An inherent conflict of interest exists as they may receive insurance commissions in addition to advisory fees. Clients will be under no obligation to purchase insurance through Richard E. Baer, Brent C. Bunger nor the insurance companies they represent. The other employees maintaining insurance licenses are: Kim Lawson, Yining “Anita” Jiang, Kyle Petersen, Martin Shteynman, Justin Bunger, Breanna Guidotti, Anthony “AJ” Robinson, and Alec Galbo.

Clients are made aware that securities investing carries inherent risk. Furthermore, they are informed that using the proceeds from real estate collateralized loans to speculate on the overall market or individual securities is not prudent. Legacy Capital Group California has policies and procedures in place to address these issues. Legacy Capital Group California has relationships that are material to its business with the following real estate lenders:

- LoadEdge, formerly Casco Financial
- Stonecrest Managers, Inc.

Legacy Capital Group California also has relationships that are material to its business with CTAC, a charitable trust administrator, Renaissance, a charitable trust administrator and Axcelus International, a company that provides variable annuity and variable life private placement insurance.

All Legacy clients are provided with a Conflicts of Interest Disclosure document prior to execution of any advisory agreement. This document more fully outlines Legacy’s affiliations and related

conflicts of interest. This document should be carefully read in its entirety.

### **Item 11 – Code of Ethics**

Legacy Capital Group California has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Legacy Capital Group California must acknowledge the terms of the Code of Ethics annually, or as amended.

Legacy Capital Group California anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Legacy Capital Group California has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Legacy Capital Group California, its affiliates and/or clients, directly or indirectly, have a position of interest. Legacy Capital Group California's employees and persons associated with Legacy Capital Group California are required to follow our Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Legacy Capital Group California and its affiliates can trade for their own accounts in investments which are recommended to and/or purchased for Legacy Capital Group California's clients.

The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Legacy Capital Group California will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Under the Code, certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Legacy Capital Group California's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Legacy Capital Group California and its clients. Legacy Capital Group California's clients or prospective clients can request a copy of the firm's Code of Ethics by contacting Legacy Capital Group California at (408) 399-6330 or [info@lcgca.com](mailto:info@lcgca.com).

It is Legacy Capital Group California's policy that the firm will **not** affect any principal or agency cross securities transactions for client accounts. Legacy Capital Group California will also **not** cross

trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction can also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions could arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

### **Item 12 – Brokerage Practices**

Legacy Capital Group California does not receive any soft dollar benefits from a broker-dealer or third party in connection with client security transactions.

Richard Baer, Brent Bunger and Legacy Capital Group California hereby inform clients they are registered with Integrity Alliance, LLC. In appropriate situations, clients are referred to Integrity Alliance, LLC for implementation of a financial or other investment plan. Clients are under no obligation to purchase securities through Integrity Alliance, LLC.

Legacy Capital Group California does not require, but does recommend the broker-dealer. Not all advisers require their clients to direct brokerage. Legacy Capital Group California does not. By directing brokerage, Legacy Capital Group California might be unable to achieve most favorable execution of client transactions, and this practice could cost clients more money.

Legacy Capital Group California, through its affiliation with REACT, has a relationship with Fidelity Brokerage Services LLC. (“Fidelity”) who clears through National Financial Services LLC. Along with Fidelity, Legacy Capital Group California also has a relationship with Charles Schwab & Co. LLC (“Schwab”) through its affiliation with REACT.

### **Item 13 - Review of Accounts**

Client accounts are reviewed by Financial Advisors of Legacy Capital Group California. Annual reviews will be made available to all clients should they choose to have a review done either in person or via the phone and webinar. Letters will be sent electronically to clients at the end of each year reminding them of this service. At the request of the investor, or at any significant change in the client's situation, the overall allocation and financial plan will be reviewed and discussed.

Clients with managed accounts will receive confirmations and quarterly statements from the Broker Dealer or Investment Company with which their accounts are held. In addition, clients will receive quarterly and annual statements from the Investment, Money Manager, RIA or custodian. Clients who have insurance contracts will receive statements directly from the carrier. Clients who have contracted for fixed fee financial planning services will receive a written financial plan from Legacy

Capital Group California. Additional reports will be prepared at the request of clients.

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

Legacy Capital Group California and its associates from time to time enter into arrangements with non-clients that can result in fees paid to the advisor. For instance, the advisor could recommend a non-security, such as a First Trust Deed, to an investor, for which the advisor receives a portion of the fees. The advisor receives finder's fees or other solicitation fees for referring clients to third party investment advisers and hedge funds. Likewise, third parties pay finder's fees and other solicitation fees to Legacy Capital Group California for its referrals of individuals to their services or programs including but not limited to non-clients, investment advisors, accountants, qualified individuals, and/or law firms. Disclosures detailing these types of arrangements will be provided to potential investors prior to the time the investment is made.

Legacy Capital Group California pays referral fees to individuals qualified as solicitors. These and all such referral fees will be made and or received in accordance with SEC Rules.

#### **Item 15 – Custody**

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Legacy Capital Group California urges clients to carefully review such statements and compare such official custodial records to the account statements that Legacy Capital Group California provides. Legacy Capital Group California's statements could vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Legacy Capital Group California does not maintain physical custody of client funds or securities. Clients are required to establish investment accounts with a qualified custodian, namely a broker-dealer, bank or trust company. Legacy is unable to take even temporary possession of client assets for the purpose of transferring them to a client's account. Though Legacy Capital Group California does not take physical possession of securities, the firm is deemed to have custody of certain clients' accounts as the firm has clients with standing letters authorizing movement of account funds from one custodian or account to another custodian and/or account.

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

Legacy Capital Group California typically presents the client with an investment recommendation at the outset of an advisory relationship. Legacy's discretionary investment advisory agreement grants us investment discretion. Still, as part of our investment management process we review our initial recommendations with the client to determine the client's selection of, and allocation to, the Money Managers and/or Investments utilized by the client. Throughout the relationship, Legacy Capital Group California will make investment recommendations, and we will review those

recommendations with the client similar to the process described above. The client will give discretionary authority to the Money Manager or Investment in a separate agreement. As part of the custodial application the client signs to establish an account, discretionary authority will be given to Legacy Capital Group's affiliated RIA, REACT Investment Solutions.

When selecting investment recommendations, Legacy Capital Group California observes any goals and objectives, plan documents, limitations and restrictions of the clients for which it advises.

Investment guidelines and restrictions must be provided to Legacy Capital Group California in writing.

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

As a matter of firm policy and practice, Legacy Capital Group California does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios unless that task is given to the Money Manager or Investment client's assets are invested with in a separate agreement. Legacy Capital Group California can provide advice to clients regarding the clients' voting of proxies upon request.

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

Neither Legacy Capital Group California, nor its management, have any adverse financial situations that would reasonably impair the ability of Legacy Capital Group California to meet all obligations to its Clients. Neither Legacy Capital Group California, nor any of its Advisory Persons, has been subject to a bankruptcy or financial compromise. Legacy Capital Group California is not required to deliver a balance sheet along with this Disclosure Brochure as the Advisor does not collect fees of \$1,200 or more for services to be performed six months or more in advance.