

Part 2A of Form ADV: Firm *Brochure*

Item 1 Cover Page

FORM ADV, PART 2A BROCHURE

Legacy Investment Advisor, LLC
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Mount Laurel, New Jersey 08054
www.Legacyria.com

May 31, 2011

This brochure provides information about the qualifications and business practices of Legacy Investment Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (856) 751-7909. 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.

Any reference to or use of the terms “registered investment adviser” or “registered,” does not imply that Legacy Investment Advisors, LLC or any person associated with it has achieved a certain level of skill or training.

Additional information about Legacy Investment Advisors, LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 Material Changes

MATERIAL CHANGES

Please note the following material changes from our most recent annual Form ADV, Part 2A, dated January 31, 2011:

There are no material changes since our most recent Form ADV.

In the future, this section will discuss only specific material changes that are made to the Brochure and provide clients with a summary of the changes. We will also reference the date of our last annual update of our Brochure.

Under new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our fiscal year. We may also provide other ongoing disclosure information about material changes as necessary.

We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting your client service representative or Legacy's Compliance Department at (856) 751-7909. Additional information about Legacy is also available via the SEC's web site at www.adviserinfo.sec.gov.

Item 3 Table of Contents

**Please retain a copy of this brochure for your records.
Legacy Investment Advisors LLC**

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Item 4 Advisory Business

Advisory Business

Legacy Investment Advisors, LLC, (“Legacy”) was founded as an LLC in 2004 by Albert Sturdivant and is a State registered investment advisor, headquartered in Mt. Laurel, New Jersey. Legacy is affiliated with Sturdivant & Co., Inc., a FINRA and SEC registered broker-dealer, established in 1988 and Atlantic Equity Research, LLC, an institutional equity research advisor, founded in 2010. Albert A. Sturdivant, Harvey deKrafft are principals in Legacy Investment Advisors, LLC, Sturdivant & Co., Inc. and Atlantic Equity Research, LLC.

Sturdivant & Co., Inc. effects brokerage transactions and also provides research reports to its institutional client base as an incidental part of its brokerage activities. Sturdivant & Co., Inc. also participates as member of selling and underwriting syndicates. Atlantic is an Investment Advisor registered with the State of New Jersey. Atlantic offers macroeconomic and fundamental company research services to institutional clients. Atlantic adheres to proprietary research and analysis, techniques and methodologies.

Legacy Investment Advisors, LLC (“Legacy”) offers discretionary and advisory portfolio management services to both institutional and non-institutional clients. For our institutional relationships, Legacy will follow the investment guidelines and mandates provided by the client. For our non-institutional clients, our investment strategy recommendations are based on the goals, objectives, time horizon and risk tolerance of each client, which are documented in the client's Investment Policy Statement.

Legacy's portfolio management and related services are designed to provide clients with the potential to achieve their investment objectives. Legacy's investment philosophy focuses on the long term. It seeks to achieve consistently superior investment returns and to provide exceptional client service. Legacy uses disciplined, systematic investment processes for each of its asset allocation strategies and actively manages client portfolios to balance risk and return. Its investment processes are primarily based on in-depth, top-down global macro quantitative analysis, complemented by fundamental research and analysis.

Legacy offers its products through a diverse range of distribution channels: it offers its products directly to institutions and non-institutions on a separate account basis and financial advisors on a separately managed account (“SMA”) basis, and to other investment advisors through sub-advised SMAs. Our clients are primarily institutional and sophisticated investors with long term investment objectives.

There may be an opportunity to employ client requested restrictions on a case-by-case basis which would allow a portfolio to be tailored to the individual needs of a client while remaining generally consistent with the Legacy model for that strategy. Any proposed client requested restrictions should be provided to Legacy in writing in advance for its consideration. Legacy will also consider allowing clients to impose restrictions on

investing in certain securities or types of securities. Typically the only differences among portfolios with the same investment strategy, for example, would result from individual client restrictions and guidelines and/or significant cash flows in and out of a particular product.

Legacy also serves as a fiduciary to defined contribution plans, such as 401(k), 457 and 403b plans. Legacy may advise clients who are not themselves investors, such as providers of information services, financial institutions or individuals. Legacy may or may not execute trades for non-discretionary clients at the client's direction.

Legacy may also provide investment advice in the form of Financial Plans, not involving supervision. Financial Plans may include, but are not limited to: annuities, life insurance, tax planning, retirement planning, estate planning, investment planning, education planning, and debt/credit planning.

Legacy's independence is an important characteristic of the firm. The firm has historically distributed equity to those professionals who have made significant contributions to the success of its business, and intends to continue to do so in the future. Legacy is currently owned by approximately 100% of its employees; its two largest shareholders are Albert A. Sturdivant and Harvey deKrafft. Albert Sturdivant holds a controlling ownership interest of 80% of Legacy.

Item 5 Fees and Compensation

The fees for such services are based on a percentage of Assets Under Management (“AUM”). Fees are invoiced quarterly, in arrears on a pro rata basis, based on quarter-end market values. AUM include equity securities, uninvested cash balances and accrued interest. Clients whose uninvested cash balances are swept into money market funds, other collective instrument vehicles or repurchase agreements by their custodian banks are paying the management fees and expenses related to the sweep program in addition to Legacy's investment advisory fees. Our fee schedule is listed below:

FEE SCHEDULE

Institutional, Managed Accounts

| AUM (in millions) | ANNUAL FEE |
|--------------------------------|-------------------|
| Up to \$5 | 1.00% |
| Next \$5 | 0.60% |
| Next \$10 | 0.50% |
| Next \$20 | 0.40% |
| Over \$40 | Negotiable |

Non-Institutional, Managed Accounts

| AUM | ANNUAL FEE |
|---------------------------------|-------------------|
| Up to \$250,000 | 1.50% |
| \$250,000 - \$500,000 | 1.25% |
| \$500,000 - \$1,000,000 | 1.00% |
| \$1,000,000 - \$2,000,000 | 0.90% |
| \$2,000,000 - \$5,000,000 | 0.85% |
| Over \$5,000,000 | 0.80% |

These fees are negotiable and the final fee schedule is included in the client's Investment Advisory Agreement. Clients may generally terminate their Investment Advisory Agreements with 30 days prior written notice. Because fees are charged in arrears, no refund policy is necessary. Clients may terminate their accounts without penalty, for a full refund, within 5 business days of signing the Investment Advisory Agreement.

Legacy may also provide investment advice in the form of Financial Plans, not involving supervision. Financial Plans may include, but are not limited to: annuities, life insurance, tax planning, retirement planning, estate planning, investment planning, education planning, and debt/credit planning. These services will be based on fixed or hourly fees and the final fee structure will be documents in the client's Investment Advisory Agreement. The minimum Financial Plan fee is \$300.

FIXED FEES - Depending upon the complexity of the situation and the needs of the client, the rate for creating client Financial Plans is between \$300 and \$25,000. Fees are paid in arrears upon completion. Because fees are paid in arrears, no refund is necessary. The fees are negotiable and the final fee schedule is included in the client's Investment Advisory Agreement. Client may terminate their accounts without penalty, for a full refund, within 5 business days of signing the Investment Advisory Agreement.

HOURLY FEES - Depending upon the complexity of the situation and the needs of the client, the hourly fee for services is \$300 for Financial Plans. The fees are negotiable and the final fee schedule is included in the client's Investment Advisory Agreement. Client may terminate their accounts without penalty, for a full refund, within 5 business days of signing the Investment Advisory Agreement.

Legacy invoices clients for fees incurred and does not deduct its fees directly. For most client accounts, fees are invoiced quarterly at the end of each quarter. Legacy's standard investment management contract may be terminated upon 30 days' prior notice and fees will be prorated for the period services were provided. In the event that Legacy's services are terminated with respect to an account that has prepaid, Legacy will refund prepaid fees on a pro rated basis. Legacy also has a limited number of fixed fee arrangements. Similar services may be available elsewhere for lesser cost.

Clients will incur other expenses in connection with obtaining advisory services from Legacy, such as brokerage and transaction costs. Brokerage commission costs, transaction charges, stock transfer fees and other similar charges that are incurred in connection with transactions in a client account will be paid out of the assets in the account and are in addition to any fees paid to Legacy.

Sales and client service employees of Legacy or its affiliates are compensated for referring account clients to Legacy. In addition, compensation to Legacy sales or client service personnel is based on a percentage of revenues received from the product by the firm overall, rather than transaction by transaction based compensation. Legacy does not from time-to-time "prioritize" the sales of certain of its products over others, so that the compensation received from one product does not exceed that which is received from the sale of another similar product. Clients and prospects are always free to select their own investments and to ignore any recommendation from Legacy to purchase a particular product.

Legacy does not currently compensate any individuals for soliciting clients on its behalf in accordance with the solicitation rules of the Investment Advisers Act of 1940 and applicable law. Any solicitation activity is accompanied by written notice that the solicitor is paid for his activity and the investor may obtain the product or service directly from Legacy rather than through the solicitor and further that payment of a solicitation fee may adversely impact the investor's ability to negotiate fees with Legacy.

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

Legacy may negotiate a performance based management fee. In all instances performance fee arrangements may only be entered into in accordance with applicable law and regulation.

As is typical for many money managers including Legacy, a potential conflict of interest may arise related to the side-by-side management of one or more accounts with a performance-based fee along with one or more accounts with non-performance based fees. The management of both types of accounts at the same time may create an incentive to favor the account that produces a higher fee. Legacy has adopted trading and allocation policies designed to ensure that its side-by-side management of accounts with different types of fees is at all times consistent with its fiduciary responsibilities to its clients, and that no client account is favored over another. These policies include requirements that all accounts in the same strategy generally be managed the same way, that is, the accounts must have the same portfolio holdings and must be traded at the same time, regardless of the type of fee arrangement. Accounts are regularly reviewed internally by Legacy, including an independent review by its compliance department, to ensure that these policies are closely followed, that buy and sell opportunities are allocated fairly among client accounts regardless of fees charged, and that all clients are treated equitably.

Item 7 Types of Clients

Legacy provides investment management services to a wide variety of clients, including institutions, sophisticated individuals, defined contribution plans, registered investment companies, among other types.

The vast majority of these arrangements are discretionary – that is, Legacy is free to select the investments and trade on the client’s behalf without prior consultation with the client.

Minimum account size is generally \$50,000 for opening a separate account, although Legacy reserves the right in its sole discretion to accept client accounts with fewer initial assets.

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

Legacy utilizes fundamental, technical and quantitative methods of analysis in its selection of securities for client accounts, and in its construction of portfolios. Legacy's sources of information include outside investment research from broker-dealers and other third parties, investment publications on general economic conditions, and financial publications from the investment banking industry. Legacy also uses its contacts with members of the professional investment community to gather information relevant to its investment strategies.

Investing in securities involves risk of loss that clients must be prepared to bear. Additional important information relating to risk is set forth below.

Legacy's Global Macro asset allocation investment strategies are global, broadly diversified asset allocation strategies relative to their benchmark index.

Legacy may utilize a broad range of securities, including U.S. or foreign equities, equity related securities such as rights and warrants, registered investment companies, exchange traded funds (ETF's) and other pooled vehicles, publicly traded limited partnerships and limited liability companies, and real estate investment trusts, in managing client accounts. Legacy may also engage in short sales of equity securities or use other derivatives, such as options.

Risks of Investment Strategies

Legacy's investment strategies are generally intended for investors seeking long-term growth of capital, with a focus on preserving principal and minimizing volatility. As noted, investing in securities involves risk of loss that clients must be prepared to bear.

Because Legacy purchases equity securities primarily or exclusively in all of its investment strategies, clients are subject to the risk that stock and bond prices will fall over short or extended periods of time, and clients could lose all, or a substantial portion, of the value of their investments. Historically, the equity markets have moved in cycles, and the value of equity securities may fluctuate significantly from day to day. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of these companies' securities and industry indexes may decline in response.

These factors contribute to price volatility, which is a principal risk of equity investing. In addition, many of the equity securities purchased by Legacy are common stocks, taxable and tax-exempt bonds and industry and sector based ETF's and mutual funds. Common stocks represent a share of ownership in a company, and rank after bonds and preferred stock in their claim on the company's assets in the event of a liquidation. ETF's represent a basket of common stocks and/or bonds that mimic widely accepted indexes. Legacy investment strategies are subject to risks associated with investments

in equity securities and equity related index funds and ETF's. An investment in an ETF generally presents the same primary risks as an investment in a conventional mutual fund that has the same investment objectives, strategies, and policies. Additionally, the risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although the lack of liquidity of an ETF could result in it being more volatile.

The investments made by Legacy will generate taxable income and realized capital gains or losses, so investors should consult with their tax advisors about the tax consequences of their investments.

Certain Legacy's investment strategies may focus their investments from time-to-time on one or more economic sectors, such as the technology, healthcare or other sectors. To the extent that it does so, developments affecting companies in that sector or sectors will likely have a magnified effect on the strategies' investment returns. A strategy's concentration in securities of a particular sector may subject it to more volatile price movements than a securities portfolio diversified across multiple sectors.

Certain Legacy's investment strategies are more concentrated, which means that they may invest in the securities of fewer issuers than a more diversified investment strategy. As a result, it may be more susceptible to a single adverse economic or regulatory occurrence affecting one or more of these issuers, and may experience increased volatility.

Legacy's investment approach may be out of favor at times, causing the strategy to underperform other strategies or funds that also seek capital appreciation but use different approaches to the stock selection and portfolio construction process.

Legacy may participate in initial public offerings ("IPOs"). Some successful IPOs may have a significant impact on investment performance, especially if the account has lower asset levels. In addition, as account assets grow, the positive impact of successful IPOs on performance tends to decrease.

Investment strategies that make foreign investments are subject to special risks not typically associated with U.S. stocks. These stocks may underperform other types of stocks, and they may not increase or may decline in value. Investing in issuers headquartered or otherwise located in foreign countries poses additional risks since political and economic events unique to a country or region will affect those markets and their issuers. These events will not necessarily affect the U.S. economy or similar issuers located in the United States. The risks associated with foreign investments are heightened when investing in emerging markets. The government and economies of emerging market countries feature greater instability than those of more developed countries. Such investments tend to fluctuate in price more widely and to be less liquid than other foreign investments. In addition, investments in foreign countries are generally denominated in a foreign currency. As a result, changes in the value of those

currencies compared to the U.S. dollar may affect (positively or negatively) the value of the investment.

Legacy investment strategies have the ability to buy and sell securities frequently which may result in higher transaction costs and additional tax liabilities.

Those investment strategies where Legacy may sell a security short or invest in a security that mimic a short sell are subject to special risks. A short sale results in a loss if the price of the securities sold short increases. In a generally rising market, short positions may be more likely to result in losses because securities sold short may be more likely to increase in value. A short sale results in a gain if the price of the securities sold short declines between the date of the short sale and the date on which securities are purchased to replace those borrowed. Any gain is decreased, and any loss is increased, by the amount of any payment, dividend or interest that the account may be required to pay with respect to the borrowed securities, offset (wholly or partly) by short interest credits. In a generally rising market, short positions may be more likely to result in losses because securities sold short may be more likely to increase in value. A short sale involves a finite opportunity for appreciation, but a theoretically unlimited risk of loss.

Investment strategies permitting the use of options are subject to special risks associated with the use of options, including: (1) the success of a hedging strategy may depend on an ability to predict movements in the prices of individual securities, fluctuations in markets and movements in interest rates; (2) there may be an imperfect correlation between the movement in prices of options and the securities underlying them; (3) there may not be a liquid secondary market for options; and (4) while an account will receive a premium when Legacy writes call options, it may not participate fully in a rise in the market value of the underlying security.

Item 9 Disciplinary Information

There is no material legal or disciplinary event to disclose related to Legacy's business or its management.

Item 10 Other Financial Industry Activities and Affiliations

All Legacy employees are registered representatives of Sturdivant & Co. Inc., an affiliated broker-dealer.

Legacy has two corporate affiliates of note: (i) Sturdivant & Co., Inc., an affiliated SEC registered broker-dealer; (ii) Atlantic Equity Research, LLC, an affiliated institutional equity research advisor. Legacy, Sturdivant & Co. and Atlantic Equity Research share the same ownership structure between two principals, Albert Sturdivant and Harvey deKrafft.

Because Sturdivant & Co. and Atlantic Equity Research, LLC are independent of Legacy, Legacy does not believe conflict of interest concerns are presented as a result of its relationship with Sturdivant & Co.

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

We have adopted a Code of Ethics (“COE”) as required by SEC rules. A copy of the COE is available to any client or prospective client upon request.

Our COE establishes rules of conduct for all of our principals and employees, and is based upon the principle that we owe a fiduciary duty to our clients. Our COE includes personal trading reporting and review policies and procedures and insider trading policies and procedures. Our COE requires, among other things, that all individuals required to adhere to the COE and:

- Avoid any actual or potential conflict of interest;
- Conduct all personal securities transactions in a manner consistent with Legacy’s COE; and
- Comply with applicable provisions of the federal securities laws.

Legacy does not engage in proprietary trading. Legacy’s COE requires individuals required to adhere to the COE to: 1) pre-clear certain personal securities transactions, 2) report personal securities transactions on a quarterly basis, and 3) provide Legacy with a detailed summary of certain holdings and securities accounts (both initially upon commencement of employment and annually thereafter) over which such employees have a direct or indirect beneficial interest.

As stated in Item 6, when presented with an investment opportunity, Legacy will assess the suitability of the investment for each account it advises. Its assessment takes into account, among other things, the account’s investment objectives and strategies, risk profile, tax status, diversification requirements, liquidity needs and available assets for investment. Legacy also assesses current market conditions and any other information relevant to the fair allocation of securities among the multiple potential investors.

Legacy and/or related persons may from time-to-time invest in securities or investment products that Legacy and such related persons may also recommend to clients. Any such securities transactions are likely to be insignificant in relation to the market as a whole. As a general practice, such transactions, if any, are executed after, or simultaneously with, related client transactions and disclosure of any conflict of interest is made in advance. Legacy and its related persons are not permitted to “front-run”, self-deal, utilize insider information, or otherwise participate in or effect transactions that would potentially cause damage or harm to a client account.

A limited number of Legacy's senior employees may from time-to-time personally invest in venture or similar funds whose purpose is to acquire shares of private companies. Some of these private companies may in turn subsequently offer their shares publicly in an initial public (“IPO”) or a related offering. In order to mitigate any conflict of interest or appearance of conflict of interest in connection with the Legacy senior employee's

personal participation through his or her venture or similar fund holdings in the offering, Legacy will obtain the approval by its Compliance Department before it will buy shares of that offering for any client account. In all cases the Legacy senior employee's ownership of the issuer's outstanding shares will be small and non-material as a percentage of the issuer's outstanding shares, and his or her participation will be as a matter of right by virtue of the venture or similar fund holding(s).

Legacy recognizes the importance of protecting the non-public personal information of its clients when providing advisory and other services. Please contact Legacy or visit its website at www.Legacyinvestments.com for more information on, or for a copy of, its privacy policies. Legacy does not sell or provide non-public personal information of its clients for marketing purposes to others.

All professionals at Legacy have appropriate educational and certification credentials to effectively complete their job responsibilities. Legacy also expects all employees to conduct themselves consistent with the highest professional standards. Its employees are required to adhere strictly to Legacy's code of ethics and the code of ethics and standards of practice of the CFA Institute/Association of Investment Management & Research (AIMR).

Item 12 Brokerage Practices

Legacy has a fiduciary obligation to seek to obtain best execution on behalf of each client, and brokers are selected with a view to obtaining best execution of transactions. This obligation applies to all circumstances where Legacy has discretion to trade on behalf of a client account.

Legacy believes that best execution is typically achieved not necessarily by negotiating the lowest commission rate but by seeking to obtain the best overall result. Legacy considers all factors it deems relevant including price, size of transaction, nature of the market for the security, commission rate, the timing of the transaction taking into account market trends, the reputation and experience of the broker-dealer and its willingness to extend capital, the quality of the broker-dealer's services in other transactions, and other relevant factors. Under no circumstances shall a broker-dealer be selected based upon considerations related to the broker-dealer's sale of Legacy products or services.

Legacy may engage in "step-out" transactions. Step-out trades generally occur where a single broker executes a block trade, and Legacy or its client directs that another broker clear and settle a portion of the trade. The executing broker formally gives up its obligations (and "steps out" of the transaction) on the shares directed to the other broker, which clears the portion of the trade directed to it. Step out transactions may be entered into in order to implement a client's decision to direct brokerage commissions to the other broker, or for other reasons.

In accordance with the terms of its investment management agreement with its clients, Legacy places and executes orders for the purchase and sale of portfolio securities. In general, investment decisions for each client (or a group of clients with a similar investment mandate) are made independently from those of other client accounts and are made with specific reference to the individual needs and objectives of each account (or group of accounts). Despite the independent nature of the decision making process, investment decisions frequently result in multiple accounts trading the same security at the same time. To the extent more than one client account seeks to acquire the same security at the same time, it may not be possible to acquire a sufficiently large number of shares of the security, or Legacy may have to pay a higher price. Similarly, clients may not be able to obtain as high a price for, or as large an execution of, an order to sell a particular security when Legacy is acting for more than one account at the same time. Thus, it is inevitable that at times it will be desirable to acquire or dispose of the same security for more than one client in an aggregated block transaction. Legacy expects that commissions paid to brokers and overall execution costs for blocked trades will generally be equivalent to or lower than those that would prevail had the trades not been executed in a blocked fashion.

Legacy's trading policies have been designed to ensure that buy and sell opportunities are allocated fairly among clients and that, over time, all clients are treated equitably. This policy also seeks to ensure reasonable efficiency in client transactions and to

provide portfolio managers with the flexibility to use allocation methodologies that are appropriate to their investment style and client base. Please also note that Legacy may make particular recommendations for some but not all of its client accounts, and may make different recommendations for different accounts.

Legacy has developed an allocation system for limited opportunities, including block orders that cannot be filled in one day and IPOs. The allocation of limited supply securities generally will be made to eligible accounts in a manner designed to be fair and equitable. Allocation of all partially filled trades will be generally done pro rata with each account receiving an equal allocation. This process will continue until all accounts receive their allocation or until all shares are allocated to as many accounts as possible. Not all clients may get shares of each IPO. If the last client to get shares receives less than a full allocation, that account will be the first client eligible on the rotation list for the next IPO and the rotation process will continue. Allocation exceptions may be made if documented and approved in a timely fashion by the firm's compliance department.

Legacy has also developed and implemented a written trading error policy, which requires that Legacy reimburse client accounts for Legacy trading errors where appropriate (and that any gains resulting from Legacy errors are retained by the client account). Where a trading error impacts more than a single transaction in a single security, gains due to a client from a Legacy trading error may be determined on a net basis by offsetting losses from the transactions in question against any gains. Legacy will not offset losses against gains under these circumstances without first obtaining client consent.

When Legacy selects brokers, it may be based in part on the quality and amount of investment research or trading services which those brokers can provide to Legacy. Legacy obtains these so-called "soft dollar" benefits from brokerage involving the client's assets, consistent with best execution. Trades are generally executed at a commission price per share that is not determined by reference to whether the trade generates soft dollar credits or not. Copies of soft dollar commission reports will be provided to clients upon request.

The soft dollar services are of the type described in Section 28(e) of the Securities Exchange Act of 1934, and related SEC guidance, and are provided by the brokers themselves – proprietary services -- or are non-proprietary services provided by third parties, and are designed to augment Legacy's own internal research, trading and investment strategy capabilities. A given service must provide lawful and appropriate assistance to the investment management process and the cost of such service must bear a reasonable relationship to the value of the research or trading service being provided before Legacy will use it. Legacy currently uses these arrangements to acquire such things as quotation services, and economic, industry and individual company research reports, among other things. The services obtained are generally used for all accounts and accordingly, a service may be used to benefit accounts other than those whose trades generated the commissions paid to the broker providing the services. A

limited number of clients from time-to-time may benefit from these services although those accounts do not generate soft dollar commissions.

Because Legacy obtains a benefit from these services which it does not pay for itself, it has an incentive to select a broker-dealer based on its interest in receiving the investment research or other product or service. To ensure that it continues to receive best execution of all trades, including any trades for which it receives soft dollar benefits, Legacy review all of its trades on a regular and ongoing basis.

Legacy also conducts reviews of all executing brokers used. All senior portfolio managers and traders participate in this in-house survey, which looks at execution capabilities, willingness to commit capital, syndicate allocations, quality of research, access to analysts, timely and pertinent calls, efficiency in working with account custodians, follow-up on recommendations, integrity in maintaining Legacy's anonymity and ethics displayed in their business conduct. Legacy uses this ranking in selecting broker/dealers and it helps it provide guidelines for paying commission dollars. Legacy's objective is to transact a substantial amount of its business with the most highly ranked brokers.

In certain instances, Legacy receives from broker/dealers products or services which are used both for investment research or trading and for non-soft dollar eligible administration, marketing or other services. If a product or service is determined to be of "mixed" use, including soft dollar benefits and non-eligible services, Legacy will make a good faith effort to determine the percentage of such products or services which may be considered qualified. Legacy will pay the portion of the cost attributable to non-qualified services from its own resources.

Clients may direct Legacy to use brokers or dealers which have been selected by the clients. Should the client choose to utilize the services of any broker/dealer not otherwise utilized by Legacy, the client should recognize that the quality of execution services obtained may be less than optimal. If Legacy believes that a broker or dealer selected by the client is not providing best execution of the client's transaction, Legacy will so advise the client. Commission levels and execution capabilities of broker/dealers vary. In addition, any directed brokerage arrangement may result in the inability of Legacy to include trades for a particular client in block orders if the aggregated transaction is executed through a broker or dealer other than the one that has been selected by the client. The benefits of a blocked transaction will not be extended to the client in that situation.

Legacy may engage in trades of the same security for different clients, including clients in which officers and employees of Legacy have an interest (proprietary accounts), at different times during a business day. When feasible, all such trades sent within the same hour are blocked – that is, executed as one trade -- and/or has an average price, and clients will receive the same price or an average price. However, under certain limited circumstances, trades are not blocked or averaged. These circumstances include where Legacy has been directed to use a particular broker or dealer. Such

trades may be made for proprietary accounts and may produce prices that are higher or lower than those affected under Legacy's regular trading procedures.

On a very limited basis Legacy may enter into cross transactions -- the simultaneous purchase and sale of a security from one client account to another client account. These transactions are only undertaken in accordance with the requirements of the Investment Company Act of 1940 and/or the Investment Advisers Act of 1940, as applicable.

Typically, cross transactions will be undertaken only if the buyer pays the seller cash only, the transaction is affected at an independently determined market price, the transaction is consistent with the investment policies of each participating client account, and no brokerage commission is paid. Legacy does not engage in agency cross transactions.

Item 13 Review of Accounts

Legacy's portfolio managers and financial advisors work together to review all client accounts on a regular basis, at least quarterly. Most if not all accounts will be reviewed more frequently, as often as daily. Among other things, the reviewers evaluate the composition of the portfolios relative to the benchmark and review tracking error and other risk and other statistics. They have access to a daily risk assessment report that monitors each portfolio's growth and valuation characteristics along with the largest overweighted and underweighted positions relative to the benchmark. Legacy also uses software attribution to conduct holdings-based and returns-based attribution analysis at the sector, industry, country/region, and security level.

Legacy provides a written investment report to each client on at least a quarterly basis. The report typically includes a market overview, detailed portfolio holdings, purchases and sales for the reporting period, and a performance summary compared to the target benchmark. Other information is also often provided at the client's request. Legacy is willing to design and provide customized reports of any frequency, content, or format as necessary.

In addition to reports tailored to clients, Legacy issues a variety of general circulation materials for clients, consultants and prospects about its investments and investment processes. Legacy's quarterly newsletters "Value Insights" describes the market environment, composite performance, and contains articles relating to the management of its portfolios. White papers and investment advisories are also provided on timely and newsworthy topics as appropriate. Legacy's communications are typically available on the firm's website, www.LegacyRIA.com.

Item 14 Client Referrals and Other Compensation

Sales and client service employees of Legacy or its affiliates may be compensated for referring clients to Legacy.

Clients that have been referred to Legacy by a solicitor must receive: a solicitation disclosure statement identifying the solicitor and describing the arrangement, including the fees paid by Legacy and any affiliation with Legacy, and informing the prospect that Legacy management may be obtained directly rather than through the solicitation agent and on potentially more favorable economic terms. The client must sign a written acknowledgement that it received these documents. The professional background of all solicitors is reviewed prior to engagement and periodically thereafter, to ensure that, among other things, the terms of the solicitation arrangement are being complied with and the individual or firm in question has not been disqualified from serving in this role.

Legacy pays out of its own resources unaffiliated financial advisors and other intermediaries for providing administrative, marketing or other services in connection with the offering of Legacy products. The amounts paid by Legacy in connection with the offering of Legacy products is typically on a par with amounts paid by other comparable firms relating to the offering of their products. To address any conflict of interest created by these arrangements, disclosure by the financial advisor and other intermediaries is made to the end client of amounts paid by Legacy.

Item 15 Custody

Legacy does not have actual custody of any client account or any client funds or securities.

Item 16 Investment Discretion

With limited exceptions, the accounts Legacy manages are discretionary accounts. Generally, no specific client consent is required with respect to what securities are to be purchased or sold, which broker is to be used or what commission rates are to be paid. However, certain clients may restrict what securities may be held, what broker may be used or the commission rate paid. Legacy follows a broker selection/diversification of investments policy depending on the specific attributes of each client account.

An investment advisory agreement with Legacy must be signed by all clients before Legacy will manage an account specifying what limits and restrictions if any on Legacy's discretion will be required.

Legacy may also enter into non-discretionary arrangements where it provides advice or a model portfolio but does not select the securities actually bought or sold. In all cases Legacy will have a written agreement in place with the party. Non-discretionary arrangements may not be traded by Legacy and even where traded by Legacy may not be traded in the same manner as discretionary accounts.

Item 17 Voting Client Securities

Where assets placed in Legacy's care include shares of corporate stock, and except where the client has expressly reserved to itself or another party the duty to vote proxies, it is Legacy's duty as a fiduciary to vote all proxies relating to such shares. Legacy has adopted written policies and procedures reasonably designed to ensure that it votes client securities in the best interest of its clients. Clients may obtain information from Legacy about how it voted proxies for securities in client accounts, and a copy of its proxy voting policies and procedures, upon request.

In voting proxies, Legacy may not be motivated by, or subordinate a client's interests to, its own objectives or those of persons or parties unrelated to the client. Legacy will exercise all appropriate or lawful care, skill, prudence and diligence in voting proxies, and shall vote all proxies relating to shares owned by client accounts that it timely receives (other than those clients that have expressly reserved to themselves or another party the duty to vote proxies). Legacy will track all shareholder meetings convened by companies whose shares are held in Legacy client accounts, identify all issues presented to shareholders at such meetings, formulate a principled position on each such issue and ensure that proxies pertaining to all shares owned in client accounts are voted in accordance with such determinations.

Item 18 Financial Information

Legacy does not require or solicit prepayment in fees per client, six months or more in advance and therefore is not required to include a balance sheet with this Brochure. Legacy has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Item 19 Requirements for State-Registered Advisers

Summary of Business Continuity Plans

Legacy has a disaster recovery and business continuation plan in place to help the firm address potential emergencies. The program is designed to provide Legacy's most critical portfolio management, operations and computer system functions with a measure of protection against potential disasters. The goal of the program is to safeguard the assets of Legacy's clients, including client information, against major or minor external threats.

Legacy's disaster recovery program targets recoverability -- the ability of information systems to overcome any short- or long-term disruption; redundancy-- the duplication of key information systems processes to prevent loss of data; and reliability -- the assurance that Legacy staff members will be able to function immediately following most external problems and within 24 hours even after the most extreme problems.

Legacy engages in an ongoing process of upgrading and testing this program in an effort to ensure that it is capable of meeting its goals. Additional details on the specific elements of the program are available upon request.

Education and Business Background of Principals and Officers

Name: Albert A. Sturdivant

Date of Birth: 4/8/49

Education Background: Morgan State University, BS (1971)

The Wharton School of the University of Pennsylvania, MBA (1973)

Business Background: 1988 - Present; Chairman and Chief Executive Officer, Legacy Investment Advisors, LLC

Name: Harvey R. deKrafft

Date of Birth: 1/12/65

Education Background: Villanova University, BA/BS (1986)

Business Background: 1988 - Present; Managing Director

Donald Ballai

Date of Birth: 01/02/1961

Educational Background: Rutgers University Cook College BS (1985)

Business Background: 2009-Present VP Legacy Investment Advisors LLC

2008-2009 Associate Managing Director Herald National Bank Private Bank Group

2001-2008 Wachovia Bank/Private Bank/Wealth Management Group

Other Financial Industry Activities or Affiliations

Albert A. Sturdivant, Harvey deKrafft are principals in Sturdivant & Co., Inc. and Atlantic Equity Research, LLC. Sturdivant & Co., Inc. is a Broker-Dealer registered with FINRA and the SEC. Sturdivant & Co., Inc. effects brokerage transactions and also provides research reports to its institutional client base as an incidental part of its brokerage activities. Sturdivant & Co., Inc. also participates as member of selling and underwriting syndicates. Atlantic is an Investment Advisor registered with the State of New Jersey. Atlantic offers macroeconomic and fundamental company research services to institutional clients. Atlantic adheres to proprietary research and analysis, techniques and methodologies.