

**Firm Brochure**  
**Part 2A of Form ADV**

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This brochure provides information about the qualifications and business practices of Legacy Road LLC. If you have any questions about the contents of this brochure, please contact us at (310) 550-0199, or by email at: [laurence@legacyroadwealth.com](mailto:laurence@legacyroadwealth.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.

Additional information about the Adviser is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

**03/29/2017**

## Item 2 - Material Changes

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### **Annual Update**

The Material Changes section of this brochure will be updated annually and when material changes occur.

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### **Material Changes since the Last Update**

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

2017: Blake Bjordahl has been hired to be the new Chief Compliance Officer

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### **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (310) 550-0199 or by email at: [laurence@legacyroadwealth.com](mailto:laurence@legacyroadwealth.com).

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## Item – 4 Advisory Business

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### **Firm Description**

Legacy Road LLC, hereinafter (“the Adviser”) was founded in 2011 and is a State registered investment adviser.

The Adviser is a fee-only investment management firm. The firm does not sell securities on a commission basis. The firm is not affiliated with entities that sell financial products or securities. The Adviser does not participate in any WRAP type of accounts as either a sponsor nor as an adviser to a WRAP account.

The Adviser does not act as a custodian of client assets and the client always maintains asset control. The Adviser generally provides investment management and supervisory services on a non-discretionary basis.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Any conflicts of interest arising out of the Adviser’s or its associated persons are disclosed in this brochure.

This ADV Part 2A discloses all material conflicts of interest under CCR Section 260.238 (k) regarding the investment adviser, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

### **Principal Owners**

Laurence B. Richards is a 100 % shareholder.

### **Types of Advisory Services**

Legacy Road LLC will perform a wide variety of investment management services for clients. These services include:

### **Investment Management**

The investment management service has several components in how it is provided to clients. The following are a description of each component of the investment management process:

#### **Client Review**

Legacy Road LLC will develop a plan for the client’s portfolio as a result of initial and ongoing communication concerning specific client needs. Clients will be questioned regarding investment background, financial objectives and risk tolerance, and will dialogue with Legacy Road LLC to develop and clarify personal and financial goals. The plan will take into consideration short and long-term client financial objectives and to meet the unique circumstances of the client in accordance with principles of effective portfolio management, with an emphasis on diversification across asset classes and the clients existing investment vehicles.

### **Analysis and Allocation**

Legacy Road LLC will analyze the existing portfolio of the client and propose to buy, sell or hold specific securities in order to achieve the goals of the client investment plan. Investments under consideration will include, but may not be limited to stocks, ETF's, mutual funds, bonds and cash equivalents. Depending on the investment plan as well as the client risk tolerance, alternative investments may be considered, including hedge funds, private equity and venture capital funds.

### **Portfolio Management**

Legacy Road LLC will oversee various issues concerning management of the portfolio, including communication with brokers and/or financial institutions with which the client is associated, the gathering and organization of financial statements from multiple sources, analysis of the portfolio, proposals for the buying, selling and holding of specific securities and monitoring the execution of client. Portfolio Management is implemented through separately managed accounts.

### **Communication**

Communication with clients will occur on at least a quarterly basis regarding the status of portfolio holdings and performance as well as market conditions to ensure that client needs are met. The client portfolio will be monitored regularly, resulting in communication at least on a quarterly basis, or more frequently as necessary. Legacy Road LLC will be available to service client needs according to the hours held by major financial markets unless client is notified otherwise.

As of December 31, 2016 the Advisor manages approximately \$27,761,654.58 in assets for approximately 281 accounts on a non-discretionary basis.

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### **Tailored Relationships**

The goals and objectives for each client are documented in our investment advisory contract. Investment policy statements are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

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### **Assignment of Investment Management Agreements**

Agreements may not be assigned without client consent.

# Types of Agreements

The following agreements define the typical client relationships:

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## **Advisory Contract**

The Adviser will develop an investment plan for the client as a result of initial and ongoing communication concerning specific client needs. Clients will be questioned regarding investment background, financial objectives and risk tolerance, and will dialogue with the Adviser to develop and clarify personal and financial goals. The investment plan subsequently will be developed to achieve short and long-term client financial objectives and to meet the unique circumstances of the client in accordance with principles of effective portfolio management, with an emphasis on diversification across asset classes and investment vehicles.

The scope of work and fee for an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship. The agreement sets forth the services to be provided, the fees for the service and the terms of termination for the agreement.

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## **Asset Management**

Investments may include: equities (stocks), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, and mutual funds shares), U. S. government securities, options contracts, and interests in partnerships. The Adviser may advise clients regarding alternative investments, including, but not limited to, hedge funds, private equity funds, and venture capital funds.

Considerations of whether to buy, sell, or hold securities will be made in accordance with general market conditions as well as the fulfillment of the client investment plan and the wishes of the client based on ongoing communication with the Adviser. Triggering factors that may cause realignment of portfolio include change in client goals as well as changes in asset allocation based on market performance and the portfolio due to market movement. The Adviser will communicate such issues concerning potential triggering factors to the client, while the client will make the ultimate decision of whether to buy or sell specific securities.

Assets may be invested in no-load or low-load mutual funds and exchange-traded funds, usually through brokers or fund companies. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Brokerages may charge a transaction fee for the purchase of some funds.

Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond trades. The Adviser does not receive any compensation, in any form, from fund companies.

Initial public offerings (IPOs) are not available through the Adviser.

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**Termination of Agreement**

A Client may terminate any of the aforementioned agreements at any time by notifying the Adviser in writing. Clients shall be charged pro rata for services provided through to the date of termination. If the client made an advance payment, the Adviser will refund any unearned portion of the advance payment.

The Adviser may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, the Adviser will refund any unearned portion of the advance payment.

## Item 5 - Fees and Compensation

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**Investment Management**

Fees will be charged to the client based on a percentage of the total portfolio under management. The fee schedule for assets under management will be a maximum of 2% of the total portfolio. Fees may be negotiated prior to contract approval subject to the agreement of the Adviser and the client. Fees will be on a monthly or quarterly basis depending on terms agreed upon by Legacy Road LLC and the client and may be negotiated according to a different payment timetable at the sole discretion of the Adviser.

The client will pay to Legacy Road LLC a quarterly or monthly fee in advance for managing the portfolio which will be based on the market value of the managed portfolio, including cash equivalents, as determined at the close of the preceding quarter or month, or in accordance with a previously agreed upon fee agreement with the client. When appropriate, the fee is increased for deposits and decreased for withdrawals occurring during the immediate previous quarter or month. Fees are negotiable at the Client and Advisor's sole discretion depending upon the facts and circumstances of each client (i.e., size of account, length of time with Advisor, etc.). A client may terminate the agreement at any time and will receive a refund of any prepaid but unearned advisory fees for the period from the termination date through the end of that calendar quarter or month. To ensure clear communication, a termination notice must be issued in writing and is effective only upon receipt by Legacy Road LLC. Certain existing accounts may be paying different than disclosed above fees according to a historical fee schedule or may pay in arrears and for a different time period based on since changed management policies. Lower fees for comparable services may be available from other sources.

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## **Consulting**

We do work with clients on an hourly or project fee basis for specific issues where they choose to engage us for consulting. The maximum charge for this service will not exceed \$750 per hour (negotiable), payable upon completion of services unless otherwise specified in the consulting contract.

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## **Other Fees**

The client will likely incur fees from brokerages, custodians, administrators and other service providers. These fees are incurred as a result of managing a client account and are charged by the service provider. The amount and nature of these fees is based on the service provider's fee schedule(s) at the provider's sole discretion. These fees are separate and distinct from any fees charged by the Adviser.

The Adviser may include mutual funds, variable annuity products, ETFs, and other managed products or partnerships in clients' portfolios. Clients may be charged for the services by the providers/managers of these products in addition to the management fee paid to the Adviser. The Adviser, from time to time, may select or recommend to separately managed clients the purchase of proprietary investment products. To the extent the client's separately managed portfolio includes such proprietary products the Adviser will adjust the client's fee associated with the client's separately managed account. The fees and expenses charged by the product providers are separate and distinct from the management fee charged by the Adviser. These fees and expenses are described in each mutual fund's or underlying annuity fund's prospectus or in the offering memorandums of a partnership. These fees will generally include a management fee, other fund expenses and a possible distribution fee. No-load or load waived mutual funds may be used in client portfolios so there would be no initial or deferred sales charges; however, if a fund that imposes sales charges is selected, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund or variable annuity or investment partnership directly, without the services of the Adviser. Accordingly, the client should review both the fees charged by the funds and the applicable program fee charged by the Advisor to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

If it is determined that a client portfolio shall contain corporate debt or other types of over the counter securities, the client may pay a mark-up or mark-down or a "spread" to the broker or dealer on the other side of the transaction that is built into the purchase price of the security.



## Item 6 - Performance Fees

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### **Sharing of Capital Gains**

Fees are not based on a share of the capital gains or capital appreciation of managed securities. However, the Adviser may employ certain types of investments that do charge a performance fee in which the Adviser does not participate. For these investments, refer to their offering or private placement memorandum for an explanation and amounts of the performance fees.

The Adviser does not use a performance-based fee structure.

## Item 7 - Types of Clients

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### **Description**

The Adviser generally provides investment advice to individuals and high net worth individuals. Client relationships vary in scope and length of service.

### **Account Minimums**

The minimum assets under management accepted for a client is \$100,000. The adviser may waive the minimum at sole discretion.

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

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### **Methods of Analysis**

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, and filings with the Securities and Exchange Commission.

### **Investment Strategies**

Strategies may include long-term purchases, short-term purchases, trading, short sales, and margin transactions. Portfolios are globally diversified to control the risk associated with traditional markets.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

The Adviser's investment strategies involve a moderate level of trading. As a result, these strategies will incur higher transaction costs than less frequently traded strategies and these costs are assessed to client portfolios. These costs will commensurately reduce portfolio returns relative to a strategy that requires a lower level of trading.

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## **Market, Security and Regulatory Risks**

Any investment with the Adviser involves significant risk, including a complete loss of capital and conflicts of interest. All investment programs have certain risks that are borne by the investor which are described below:

### **Market Risks:**

Competition. The securities industry and the varied strategies and techniques to be engaged in by the Adviser are extremely competitive and each involves a degree of risk. The Adviser will compete with firms, including many of the larger securities and investment banking firms, which have substantially greater financial resources and research staffs.

Market Volatility. The profitability of the Adviser substantially depends upon it correctly assessing the future price movements of stocks, bonds, options on stocks, and other securities and the movements of interest rates. The Adviser cannot guarantee that it will be successful in accurately predicting price and interest rate movements.

Legacy Road LLC's Investment Activities. The Adviser's investment activities involve a significant degree of risk. The performance of any investment is subject to numerous factors which are neither within the control of nor predictable by the Adviser. Such factors include a wide range of economic, political, competitive, technological and other conditions (including acts of terrorism and war) that may affect investments in general or specific industries or companies. The securities markets may be volatile, which may adversely affect the ability of the Adviser to realize profits.

Material Non-Public Information. By reason of their responsibilities in connection with other activities of the Adviser and/or its affiliates, certain principals or employees of the Adviser and/or its affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Adviser will not be free to act upon any such information. Due to these restrictions, the Adviser may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Accuracy of Public Information. The Adviser selects investments, in part, on the basis of information and data filed by issuers with various government regulators or

made directly available to the Adviser by the issuers or through sources other than the issuers. Although the Adviser evaluates all such information and data and sometimes seeks independent corroboration when it's considered appropriate and reasonably available, the Adviser is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available.

Investments in Undervalued Securities. The Adviser intends to invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Adviser's investments may not adequately compensate for the business and financial risks assumed.

Small Companies. The Adviser may invest a portion of its assets in small and/or unseasoned companies with small market capitalization. While smaller companies generally have potential for rapid growth, they often involve higher risks because they may lack the management experience, financial resources, product diversification and competitive strength of larger companies. In addition, in many instances, the frequency and volume of their trading may be substantially less than is typical of larger companies. As a result, the securities of smaller companies may be subject to wider price fluctuations.

Leverage. When deemed appropriate by the Adviser and subject to applicable regulations, the Adviser may incur leverage in its investment program, whether directly through the use of borrowed funds, or indirectly through investment in certain types of financial instruments with inherent leverage, such as puts, calls and warrants, which may be purchased for a fraction of the price of the underlying securities while giving the purchaser the full benefit of movement in the market of those underlying securities. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss.

Options and Other Derivative Instruments. The Adviser may invest, from time to time, in options and other derivative instruments, including, but not limited to, the buying and selling of puts and calls on some of the securities held by the Adviser. The prices of many derivative instruments, including many options and swaps, are highly volatile. The values of options and swap agreements depend primarily upon the price of the securities, indexes, commodities, currencies or other instruments underlying them. Price movements of options contracts and payments pursuant to swap agreements are also influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. Options on highly volatile securities, currencies or other assets may be more expensive than options on other investments.

Hedging Transactions. Investments in financial instruments such as forward contracts, options, commodities and interest rate swaps, caps and floors, other derivatives, and other investment techniques are commonly utilized by investment funds to hedge against fluctuations in the relative values of its portfolio positions as a result of changes in currency exchange rates, interest rates and/or the equity markets or sectors thereof. Any hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio positions should increase. The Adviser is not obligated to establish hedges for portfolio positions and may not do so.

Market or Interest Rate Risk. The price of most fixed income securities move in the opposite direction of the change in interest rates. For example, as interest rates rise, the price of fixed income securities falls. If the Adviser holds a fixed income security to maturity, the change in its price before maturity may have little impact on the Adviser's performance; however, if the Adviser has to sell the fixed income security before the maturity date, an increase in interest rates could result in a loss to the Adviser.

Fixed Income Call Option Risk. Many bonds, including agency, corporate and municipal bonds, and all mortgage-backed securities, contain a provision that allows the issuer to "call" all or part of the issue before the bond's maturity date. The issuer usually retains this right to refinance the bond in the future if market interest rates decline below the coupon rate. There are three disadvantages to the call provision. First, the cash flow pattern of a callable bond is not known with certainty. Second, because the issuer will call the bonds when interest rates have dropped, the Adviser is exposed to reinvestment rate risk – the Adviser will have to reinvest the proceeds received when the bond is called at lower interest rates. Finally, the capital appreciation potential of a bond will be reduced because the price of a callable bond may not rise much above the price at which the issuer may call the bond.

Inflation Risk. Inflation risk results from the variation in the value of cash flows from a security due to inflation, as measured in terms of purchasing power. For example, if the Adviser purchases a 5-year bond in which it can realize a coupon rate of 5%, but the rate of inflation is 6%, then the purchasing power of the cash flow has declined. For all but inflation-linked bonds, adjustable bonds or floating rate bonds, the Adviser is exposed to inflation risk because the interest rate the issuer promises to make is fixed for the life of the security.

Investments in Non-U.S. Investments. From time to time, the Adviser may invest and trade a portion of its assets in non-U.S. securities and other assets (through ADRs and otherwise), which will give rise to risks relating to political, social and economic developments abroad, as well as risks resulting from the differences between the regulations to which U.S. and foreign issuers and markets are subject. Such risks may include:

- Political or social instability, the seizure by foreign governments of company assets, acts of war or terrorism, withholding taxes on dividends and interest, high or confiscatory tax levels, and limitations on the use or transfer of portfolio assets.
- Enforcing legal rights in some foreign countries is difficult, costly and slow, and there are sometimes special problems enforcing claims against foreign governments.
- Foreign securities and other assets often trade in currencies other than the U.S. dollar, and the Adviser may directly hold foreign currencies and purchase and sell foreign currencies through forward exchange contracts. Changes in currency exchange rates will affect the Adviser's net asset value, the value of dividends and interest earned, and gains and losses realized on the sale of investments. An increase in the strength of the U.S. dollar relative to these other currencies may cause the value of the Adviser's investments to decline. Some foreign currencies are particularly volatile. Foreign governments may intervene in the currency markets, causing a decline in value or liquidity of the Adviser's foreign currency holdings. If the Adviser enters into forward foreign currency exchange contracts for hedging purposes, it may lose the benefits of advantageous changes in exchange rates. On the other hand, if the Adviser enters forward contracts for the purpose of increasing return, it may sustain losses.
- Non-U.S. securities, commodities and other markets may be less liquid, more volatile and less closely supervised by the government than in the United States. Foreign countries often lack uniform accounting, auditing and financial reporting standards, and there may be less public information about the operations of issuers in such markets.

Risk of Default or Bankruptcy of Third Parties. The Adviser may engage in transactions in securities, commodities, other financial instruments and other assets that involve counterparties. Under certain conditions, the Adviser could suffer losses if a counterparty to a transaction were to default or if the market for certain securities, commodities, other financial instruments and/or other assets were to become illiquid.

### **Regulatory Risks:**

Strategy Restrictions. Certain institutions may be restricted from directly utilizing investment strategies of the type in which the Adviser may engage. Such institutions, including entities subject to ERISA, should consult their own advisors, counsel and accountants to determine what restrictions may apply and whether an investment in the Adviser is appropriate.

Trading Limitations. For all securities, instruments and/or assets listed on an exchange, including options listed on a public exchange, the exchange generally has the right to suspend or limit trading under certain circumstances. Such suspensions or limits could render certain strategies difficult to complete or continue and subject the Adviser to loss. Also, such a suspension could render it impossible for the Adviser to liquidate positions and thereby expose the Adviser to potential losses.

Conflicts of Interest: In the administration of client accounts, portfolios and financial reporting, the Adviser faces inherent conflicts of interest which are described in this brochure. Generally, the Adviser mitigates these conflicts through its Code of Ethics which provides that the client's interest is always held above that of the Firm and its associated persons.

Supervision of Trading Operations. The Adviser, with assistance from its brokerage and clearing firms, intends to supervise and monitor trading activity in the portfolio accounts to ensure compliance with firm and client objectives. Despite the Adviser's efforts, however, there is a risk that unauthorized or otherwise inappropriate trading activity may occur in portfolio accounts.

Depending on the nature of the investment management service selected by a client and the securities used to implement the investment strategy, clients will be exposed to risks that are specific to the securities in their particular investment portfolio.

### **Security Specific Risks:**

Liquidity: Liquidity is the ability to readily convert an investment into cash. Securities where there is a ready market that is traded through an exchange are generally more liquid. Securities traded over the counter or that do not have a ready market or are thinly traded are less liquid and may face material discounts in price level in a liquidation situation.

Currency: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

Limited Liquidity of Interests. An investment in a partnership usually involves substantial restrictions on liquidity and its interests are not freely transferable. There is no market for these interests and no market should be expected to develop. Additionally, transfers are usually subject to the consent of the general partner at the general partner's sole discretion.

Lack of Registration: Funds or LP interests have neither been registered under the Securities Act nor under the securities or "blue sky" laws of any state and, therefore, are subject to transfer restrictions.

Withdrawal of Capital: The ability to withdraw funds from the funds or LP interests is usually restricted in accordance with the withdrawal provisions contained in an Offering Memorandum. In addition, substantial withdrawals by investors within a short period of time could require a fund to liquidate securities positions and other investments more rapidly than would otherwise be desirable, possibly reducing the value of the fund's assets and/or disrupting the fund's investment strategy.

## **Item 9 – Disciplinary Information**

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

## Item 10 - Other Financial Industry Activities and Affiliations

Associated persons are licensed insurance agents. In this capacity associated persons of the Adviser may recommend insurance products, and receive normal commissions if products are purchased through any firms with which any associated persons are affiliated. Thus, a conflict of interest exists between the interests of associated persons and those of the advisory clients. However, clients are under no obligation to act upon any recommendations of the associated persons or effect any transactions through the associated persons if they decide to follow the recommendations.

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

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### **Code of Ethics**

The Adviser has adopted a Code of Ethics which establishes standards of conduct for its supervised persons. The Code of Ethics includes general requirements that such supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires supervised persons to report their personal securities transactions and holdings quarterly to the Adviser's Chief Compliance Officer, and requires the Chief Compliance Officer to review those reports. It also requires supervised persons to report any violations of the Code of Ethics promptly to the Adviser's Chief Compliance Officer. Each supervised person of the Adviser receives a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having received the materials. Annually, each supervised person must certify that he or she complied with the Code of Ethics during that year. Clients and prospective clients may obtain a copy of the Adviser's Code of Ethics by contacting the Chief Compliance Officer of the Adviser.

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### **Participation or Interest in Client Transactions**

Under the Adviser's Code of Ethics, the Adviser and its managers, members, officers and employees may invest personally in securities of the same classes as are purchased for clients and may own securities of the issuers whose securities are subsequently purchased for clients. If an issue is purchased or sold for clients and any of the Adviser, managers, members, officers and employees on the same day purchase or sell the same security, either the clients and the Adviser, managers, members, officers or employees shall receive or pay the same price or the clients shall receive a more favorable price. The Adviser and its managers, members, officers and employee may also buy or sell specific securities for their own accounts based on

personal investment considerations, which the Adviser does not deem appropriate to buy or sell for clients.

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### **Personal Trading**

The Chief Compliance Officer of the Adviser is Blake Bjordahl. He reviews all employee trades quarterly. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment.

## **Item 12 - Brokerage Practices**

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### **Brokerage Direction and Soft Dollars**

The Adviser may recommend brokerage firms as qualified custodians and for trade execution. In selecting brokers or dealers to execute transactions, Adviser will seek to achieve the best execution possible but this does not require it to solicit competitive bids and does not have an obligation to seek the lowest available commission cost. Adviser is not required to negotiate "execution only" commission rates, thus the client may be deemed to be paying for research and related services (i.e., "soft dollars") provided by the broker which are included in the commission rate. It is the policy and practice of The Adviser to strive for the best price and execution for costs and discounts which are competitive in relation to the value of the transaction and which comply with Section 28(e) of the Securities Exchange Act of 1934, as amended. Nevertheless, it is understood that the Adviser may pay compensation on a transaction in excess of the amount of compensation that another broker or dealer may charge so long as it is in compliance with Section 28(e), and the Adviser makes no warranty or representation regarding compensation paid on transactions. In negotiating mark-ups or mark-downs, the Adviser will take into account the financial stability and reputation of brokerage firms and the brokerage and research services provided by such brokers, although the client may not, in any particular instance, be the sole direct or indirect beneficiary of the research services provided. The Adviser has no obligation to deal with any broker or group of brokers in executing transactions in portfolio securities.

The Adviser allows clients to direct brokerage. Since the client directs the Adviser to use a particular broker or dealer, the Adviser may not be authorized to negotiate commissions and may not be able to obtain volume discounts or best execution. The Adviser does not receive fees, commissions or have any soft dollar arrangements from any brokers.

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### **Order Aggregation**

The nature of the clients and/or trading activity on behalf of client accounts are such that trade aggregation does not garner any client benefit (in regards to mutual fund or exchange traded funds for example).



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**Directing Brokerage for Client Referrals**

The Adviser does not receive client referrals from broker dealers or third parties as consideration for selecting or recommending brokers for client accounts.

## Item 13 - Review of Accounts

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**Periodic Reviews**

The Adviser will perform client portfolio reviews no less than annually or as agreed upon with the client.

The client may provide specific instructions to Legacy Road LLC in order to emphasize certain aspects of reviews, such as performance of a specific sector, interest in particular holdings, or achievement of short and long-term performance goals. Such requests must be outlined in the contract or must be agreed upon specifically after agreement of the contract by the client and Legacy Road LLC in order to be part of the client agreement.

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**Review Triggers**

Accounts are reviewed no less than annually or more frequently when market conditions dictate. Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's financial or personal situation.

Considerations of whether to buy, sell or hold securities will be made in accordance with general market conditions as well as the fulfillment of the client investment plan and the wishes of the client based on ongoing communication with The Adviser. Triggering factors that may cause realignment of portfolio include change in client goals as well as changes in asset allocation based on market performance and the portfolio due to market movement. The Adviser will communicate such issues concerning potential triggering factors to the client, while the client will make the ultimate decision of whether to buy or sell specific securities.

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**Regular Reports**

Regular reports for the client may consist of monthly and/or quarterly reviews as agreed upon by Legacy Road LLC and the client. These reviews may be delivered in written form to the client within 30 days after the end of each month and/or quarter, depending on the agreement. These reviews may include a listing of the value of each account (potentially held at different financial institutions), as well as the value of each security held within each account. The total portfolio monthly and/or quarterly value as well as the monthly and/or quarterly return and year-to-date return will be tabulated. Comparisons of monthly and/or quarterly performance may be made to major financial benchmarks, such as the S&P 500, the NASDAQ, the Russell 2000, the Wilshire 5000 and the Lehman Aggregate Bond Index, in consultation with the client. Regular reports also may consist of phone communication, email and in-person meetings with the client, which may occur as infrequently as annually or more frequently as necessary, depending on agreement with the client.

Reports also may be issued annually, including absolute and relative performance figures with respect to major benchmarks as well as written analysis of portfolio performance in terms of achievement of the client investment plan.

Clients receive statements of account positions no less than quarterly from the account custodian.

## Item 14 - Client Referrals and Other Compensation

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### **Incoming Client Referrals**

The Adviser receives client referrals which may come from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

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### **Referrals to Third Parties**

The Adviser does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

## Item 15 - Custody

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### **Custody Policy**

The Adviser does not accept or permit the Firm or its associated persons from obtaining custody of client assets including cash, securities, acting as trustee, provide bill paying service, have password access to control account activity or any other form of controlling client assets. All checks or wire transfer to fund client accounts are required to be made out to/sent to the account custodian.

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### **Account Statements**

All assets are held at qualified custodians and the custodians provide account statements not less than quarterly to clients at their address of record. Clients should carefully review such statements for any discrepancies or inaccuracies.

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### **Performance Reports**

Pursuant to recent amendments to Rule 206(4) under the Investment Advisers Act of 1940, the Securities and Exchange Commission now requires advisers to urge clients to compare the information set forth in their statement from the Adviser with the statements received directly from the custodian to ensure accuracy of all account transactions.

## Item 16 - Investment Discretion

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### **Authority for Trading**

The Adviser will consult with the client where discretion is not obtained prior to each trade in order to obtain client approval for the transaction(s).

## Item 17 - Voting Client Securities

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### **Proxy Voting**

The Adviser will not vote nor advise clients how to vote proxies for securities held in client accounts. The client clearly keeps the authority and responsibility for the voting of these proxies. The Adviser does not give any advice or take any action with respect to the voting of these proxies. For accounts subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”), the plan fiduciary specifically keeps the authority and responsibility for the voting of any proxies for securities held in plan accounts. The Adviser promptly passes along any proxy voting information to the clients or their representatives.

## Item 18 – Financial Information

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### **Financial Policy**

The Adviser does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients. The Adviser meets all net capital requirements that it is subject to and the Adviser has not been the subject of a bankruptcy petition in the last 10 years.

The Adviser is not required to provide a balance sheet as it does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$500 per client, and six months or more in advance.

## Item 19 - State Registered Investment Adviser Information

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### **Principals, Officers and Management**

Laurence B. Richards is the sole principal and is an officer of Legacy Road LLC. For his formal education, business background, please refer to ADV Part 2B.

Blake Bjordahl is the Chief Compliance Officer of Legacy Road LLC.

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### **Other Business**

The Adviser does not engage in any other business or provide any other services other than those described in Part 2A of this ADV brochure

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### **Management/Officer/Principal Disclosures**

No member of management, an officer or a principal of the Adviser has been involved in an award or otherwise found liable in an arbitration claim alleging damages in excess of \$2500 in an activity involving investment or investment related activity; fraud, false statements or omissions; theft, embezzlement or other wrongful taking of property; bribery, forgery, counterfeiting or extortion; dishonest, unfair or unethical practices. Further, no member of management, an officer or a principal of the Adviser has been found liable in a civil, self-regulatory organization or administrative proceeding involving investment or investment related activity; fraud, false statements or omissions; theft, embezzlement or other wrongful taking of property; bribery, forgery, counterfeiting or extortion; dishonest, unfair or unethical practices.

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### **Relationship with Issuer of Securities Disclosure**

The Adviser, nor any related person to the Adviser, do not have any affiliation or relationship with an entity that is an issuer of securities other than Laurence Richards standing as the Managing Member of Legacy Road LLC.

## Business Continuity Plan

The Adviser has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

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### **Disasters**

The Business Continuity Plan covers natural disasters such as snowstorms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage,

railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

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### **Alternate Offices**

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

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### **Summary of Business Continuity Plan**

A summary of the business continuity plan is available upon request to Legacy Roads, LLC Chief Compliance Officer.

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## **Information Security Program**

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### **Information Security**

The Adviser maintains an information security program to reduce the risk that your personal and confidential information may be breached.

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### **Privacy Practices**

#### **Privacy Policy**

Below is a summary of the Adviser's Privacy Policy regarding client personal information. A complete version of the Privacy Policy is contained in your client advisory agreement and may be obtained by contacting the Compliance Officer of the Adviser.

Legacy Road LLC:

- a) Collects non-public personal information about its clients from the following sources:
    - Information received from clients on applications or other forms;
    - Information about clients' transactions with the Adviser, its affiliates and others;
    - Information received from our correspondent clearing broker with respect to client accounts;
    - Medical information submitted as part of an insurance application for a traditional life or variable life policy; and
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- Information received from service bureaus or other third parties.
- b) The Adviser will not share such information with any affiliated or nonaffiliated third party except:
- When necessary to complete a transaction in a customer account, such as with the clearing firm or account custodians;
  - When required to maintain or service a customer account;
  - To resolve customer disputes or inquiries;
  - With persons acting in a fiduciary or representative capacity on behalf of the customer;
  - With rating agencies, persons assessing compliance with industry standards, or to the attorneys, accountants and auditors of the firm;
  - In connection with a sale or merger of The Adviser's business;
  - To protect against or prevent actual or potential fraud, identity theft, unauthorized transactions, claims or other liability;
  - To comply with federal, state or local laws, rules and other applicable legal requirements;
  - In connection with a written agreement to provide investment management or advisory services when the information is released for the sole purpose of providing the products or services covered by the agreement;
  - In any circumstances with the customer's instruction or consent.
- c) Restricts access to confidential client information to individuals who are authorized to have access to confidential client information and need to know that information to provide services to clients.
- d) Maintains physical, electronic and procedural security measures that comply with applicable state and federal regulations to safeguard confidential client information.

## Part 2B of Form ADV

### **Firm Brochure**

## **Legacy Road LLC**

5650 El Camino Real, Suite #123  
Carlsbad, CA 92078

**Phone: (310) 550-0199**

**laurence@legacyroadwealth.com**

This brochure provides information about all Financial Advisors of Legacy Road LLC and this brochure supplements the Legacy Road LLC brochure. You should have received a copy of that brochure. Please contact Laurence Richards at (310) 550-0199, or by email at: [laurence@legacyroadwealth.com](mailto:laurence@legacyroadwealth.com) if you did not receive Legacy Road LLC brochure or if you have any questions about the contents of this supplement. 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.

Additional information about Laurence Richards and Brett Gottlieb is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

03/29/2017

## Item 2 - Education and Business Standards

Legacy Road LLC requires that advisors have a bachelor's degree and further coursework or work experience demonstrating knowledge of investment management principals.

Examples of acceptable coursework may include: an MBA, a CFP, a CFA, a ChFC, JD, CTFA, EA or CPA. Alternatively, advisors must have work experience that demonstrates their aptitude for investment management.

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### Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

## Education and Business Background

### **Laurence Boyd Richards, Managing Member & Investment Advisor Representative**

*Date of birth:* March 31, 1967

*Educational Background:*

- Master of Business Administration (M.B.A.): University of Southern California, Marshall School of Business; Los Angeles, CA; degree date, 2001
- Master of Arts in Education (M.A.): Claremont Graduate School; Claremont, CA; degree date, 1991
- Bachelor of Arts (B.A.): University of Pennsylvania; Philadelphia, PA; degree date, 1989

*Business Experience:*

2011 – Present: Legacy Road LLC. President  
2003 – 2011: Richards Capital Management, President; New York, NY (2003-2008); Los Angeles, CA (2009 - Present); Mr. Richards has a Series 65 license.

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### Items 3 & 7 - Disciplinary Information

As it relates to past, current or prospective clients, Mr. Richards not been involved in legal or disciplinary events, has not been involved in arbitrations, has not been subject to self regulatory organization or administrative proceedings and has not filed or planning to file a bankruptcy petition.

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### Item 4 - Other Business Activities

The Park Creative - Co-President/Office Space and Services; 40 Hours/Month



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**Item 5 - Additional Compensation**

Mr. Richards does not receive any economic benefit from anyone who is not a client of Legacy Road LLC for providing advisory services.

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**Item 6 - Supervision**

Laurence Boyd Richards, Managing Member and investment adviser representative of the firm is supervised by Blake Bjordahl, CCO..

*Phone:* (888) 541-9694 x704*Email:* [bbjordahl@cwicompliance.com](mailto:bbjordahl@cwicompliance.com)

# Education and Business Background

## **Brett Eric Gottlieb, Investment Advisor Representative**

*Date of birth:* December 24, 1976

### *Educational Background:*

Bachelors of Science, Business Administration (Emphasis: Marketing):  
California State University, Chico, CA; degree date, 1999

Bachelors of Arts, Economics: California State University, Chico, CA; degree  
date, 1999

### *Business Experience:*

2012 – Present: Legacy Road LLC – Investment Advisor Representative; Beverly Hills,  
CA

2011 – Present: Comprehensive Advisor – Insurance Agent; Carlsbad, CA

2006 – Present: OfficialQuote Insurance Services, LLC – COO/Fixed Insurance;  
Carlsbad, CA

2007 – 2010: Cooper McManus – Investment Advisor Representative, El Segundo, CA

2003 – 2010: M Clark Financial – Insurance Agent; El Segundo, CA

2002 – 2010: Securities America, Inc. – Registered Representative; El Segundo, CA

Mr. Gottlieb has Series 63 & 65 licenses. He is also a Licensed Life & Health Insurance Agent in all 50 States.

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## **Items 3 & 7 - Disciplinary Information**

As it relates to past, current or prospective clients, Mr. Gottlieb has not been involved in legal or disciplinary events, has not been involved in arbitrations, has not been subject to self-regulatory organization or administrative proceedings. Mr. Gottlieb filed a bankruptcy petition on May 10, 2010 and this case was dismissed by the state on February 8, 2011. Mr. Gottlieb does have a federal tax lien and a payment arrangement that is current.

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## **Item 4 - Other Business Activities**

Mr. Gottlieb is involved in the following business activities outside of Legacy Road LLC:

San Elijo Hills Foundation – President/Community Foundation; 4 Hours/Month

OfficialQuote Insurance Services, LLC – COO/Fixed Insurance; 10 Hours/Month

Comprehensive Advisor – Insurance Agent; 80 Hours/Month

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## **Item 5 - Additional Compensation**

Mr. Gottlieb does not receive any economic benefit from anyone who is not a client of Legacy Road LLC for providing advisory services.

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**Item 6 - Supervision**

Mr. Gottlieb is supervised by Blake Bjordahl, CCO.

*Phone:* (888) 541-9694 x704 *Email:* bbjordahl@cwicompliance.com

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## **Item 2 – Education and Business Background**

**Producer’s Start Date:** 04/08/2016

### **John Mc Kean, Investment Advisor Representative**

*Month and Year of Birth:* 03/05/1980

*Educational Background:*

Saddleback College – 2014-Present

*Business Experience:*

2016 – Present: Legacy Road LLC – Investment Advisor Representative, Beverly Hills, CA

2016 – Present: Comprehensive Advisor – Insurance Agent, Carlsbad, CA

2015-2016: Cooper McManus – Investment Advisor Representative, Irvine, CA

2015-2016: Securities America, Inc. – Registered Representative, Irvine, CA

2008-2014: National Engineering and Consulting, Inc. – Director of Telecommunications

2002-2007: MortgageTree Lending – Assistant Director of Secondary Marketing

*Professional Certifications:* Mr. Mc Kean has Series 7 & 66 licenses. He is also a licensed Life & Health Insurance Agent in the state in the state of California.

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## **Items 3 & 7 - Disciplinary Information**

As it relates to past, current or prospective clients, Mr. Mc Kean has not been involved in legal or disciplinary events, has not been involved in arbitrations, has not been subject to self-regulatory organization or administrative proceedings and has not filed or planning to file a bankruptcy petition.

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## **Item 4 – Other Business Activities**

Comprehensive Advisor – Insurance Agent; 80 Hours/Month

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## **Item 5 – Additional Compensation**

Mr. Mc Kean does not receive any economic benefit from anyone who is not a client of Legacy Road LLC for providing advisory services.

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## **Item 6 - Supervision**

Mr. Mc Kean is supervised by Brett Gottlieb with oversight by Blake Bjordahl, CCO

*Phone:* (888) 541-9694 x704 *Email:* bbjordahl@cwicompliance.com