



Investment Advisor Disclosure Brochure

This brochure provides important information about the qualifications and business practices of USA Financial Securities Corporation. If you have questions about the contents of this brochure, please contact our compliance department at (888) 407-8198. The information contained in this document has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or any state securities authority. This brochure is being updated on March 31, 2023. Our previous brochure update was April 8, 2022.

Additional information about USA Financial Securities is also available on the SEC's website at www.adviserinfo.sec.gov.

Please consider carefully before becoming a client. USA Financial Securities is an SEC registered adviser, SEC File No. 801-68276. SEC registration does not imply a certain level of skill or training.

ITEM 2: MATERIAL CHANGES

USA Financial Securities' last brochure update was April 8, 2022. Since then, we have added additional clarification surrounding the firm's responsibilities and approach to Best Execution in Item 12. We have also expanded on the ability for an investment adviser representative to manage their own strategies through a sub-adviser with USA Financial Exchange in Item 10.

Please read the remainder of this brochure as it contains other important information related to our business. Also, you can find our Form CRS in this document or on our website at <https://www.usafinancialsecurities.com/reg-bi/>. The Form CRS is a relationship summary that provides simplified disclosures and information related to how you can engage with our firm and what conflicts or disclosures you should be aware of when working with us. The website contains the expanded disclosure information that could not fit within Form CRS's page-limit confines.

You may request a copy of our Brochure, including Form CRS, by contacting the compliance department at (888)407-8198. The ADV Brochure can also be found on our website: <https://www.usafinancialsecurities.com/adv>.

Additional information about our firm is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any individuals affiliated with us who are registered, or are required to be registered, as investment adviser representatives of the firm.

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ITEM 4: ADVISORY BUSINESS

USA Financial Securities is an investment adviser registered with the United States Securities and Exchange Commission (“SEC”). Our firm is also registered as a broker-dealer. USA Financial Securities was founded in 1998 and is a wholly owned subsidiary of USA Financial Corporation. Michael Walters and Brent Enders own USA Financial. Detailed information regarding our owners, directors, and officers can be found by visiting: www.adviserinfo.sec.gov.

Our firm utilizes investment adviser representatives. Our representatives frequently work with individuals who are either planning for retirement or are currently retired, however, neither our firm nor our representatives specialize in any specific area or type of investment advice. USA Financial Securities supports discretionary and non-discretionary accounts. As of December 31, 2022, our firm was managing approximately \$222,641,862. Approximately \$140,735,812 was managed on a discretionary basis.

USA Financial Securities offers two categories of advisory services: financial planning and advisory account management. Our representatives may charge you a comprehensive financial planning fee and also receive an asset-based fee for any dollars managed on your behalf. Financial planning is a comprehensive engagement process whereby your financial adviser analyzes your entire investment portfolio in conjunction with your objectives, risk tolerance, and other relevant factors to determine an investment plan. Advisory account management may be a part of the financial-planning process, but you can also have an advisory account without engaging in the financial planning process and vice versa. Advisory accounts are managed either on a transaction-based pricing method or an asset-based pricing method. Both methods are discussed in greater detail, below.

Financial Planning Services

USA Financial Securities’ investment adviser representatives provide financial planning services. As mentioned above, financial planners use a comprehensive planning method. They help clients set and achieve long-term financial goals through investments, tax planning, asset allocation reviews, risk management analyses, retirement planning, and estate planning. USA Financial Securities collects important financial information from you, and we use that information, along with any additional information you communicated to your financial professional, to develop a plan designed to meet your unique goals and objectives.

Financial planning fees may be charged in addition to commissions or asset under management fees. You are not obligated to follow USA Financial Securities’ recommendations or to pursue the recommendations through USA Financial Securities. As the client, you have control over your investment decisions – you may place restrictions on investing in certain types of securities or engaging in various investment activities. It is important that you communicate your investment goals and objectives, including any restrictions, to your investment adviser representative. An open and honest dialogue between you and your financial professional will help facilitate a successful working relationship.

Advisory Account Management

USA Financial Securities and its investment adviser representatives can manage your advisory accounts in two ways (essentially, the category of management is dictated by the way the fee is charged): transaction-based pricing or asset-based pricing. You pay a custodial and administrative fee (“C&A Fee”) under both pricing structures. However, the C&A Fee is less on a transaction-based pricing platform for the reasons described below. In addition to the C&A Fee, USA Financial Securities’ advisers also charge a management fee. Under no circumstances will the management fee exceed 2.7%. USA Financial Securities receives a portion of the fees.

Transaction-Based Pricing Structure

USA Financial Securities' transaction-based pricing platform provides clients with investment advisory execution, clearing, and custodial services, through our custodians, Pershing and TD Ameritrade. As the name suggests, under the transaction-based pricing structure, you pay a lower C&A Fee because you pay for transactions individually as they occur in addition to the C&A Fee. If you do not engage in frequent transactions, then transaction-based pricing structure is generally more advantageous because your C&A Fee is less, and you only pay for transactions when and if they occur.

Asset-Based Pricing Structure

Under an asset-based pricing structure, you pay a higher C&A Fee because the transaction costs are included in the C&A Fee – your C&A Fee does not increase regardless of how many transactions you make. If you engage in a high number of transactions in your account, the asset-based pricing structure is more ideal because you will generally pay less because transaction costs can add up over time.

USA Financial Securities operates asset-based pricing programs at Pershing and TD Ameritrade. Both asset-based based pricing programs are wrap-fee programs. A wrap-fee program bundles various services together and charges an all-inclusive fee, named a "wrap fee" because it wraps around all services rather than charging a separate fee for each service.

Because wrap-fee accounts are charged a monthly fee, these accounts are typically best suited for investors who anticipate engaging in moderate to high levels of investment activity within their account. Infrequent trading is not supported by the fee structure, and clients with very little trading activity or account management are better served in a traditional commission-based brokerage account or the transaction-based pricing platform.

For more information regarding our wrap-fee programs, please see our separate, wrap-fee brochure, [Appendix 1 – Wrap Fee Brochure](#).

ITEM 5: FEES AND COMPENSATION

Financial Planning Fees

USA Financial Securities' representatives charge fees for financial planning services. Clients can engage USA Financial Securities' advisors for financial planning services on an hourly, flat, fixed, or project-based fee. Fees are collected monthly in arrears for services rendered. Hourly fees cannot exceed \$500/hour and USA Financial Securities typically does not permit flat or project-based fees to exceed \$75,000. However, fees may be negotiable when additional services are bundled with the implementation of a financial plan. Prior to paying any fees, you must sign USA Financial Securities' investment advisory agreement.

FINANCIAL PLANNING FEE REFUND POLICY – USA Financial Securities' refund policy permits you to request a 100% refund of all **hourly and/or project fees** paid within one year of signing the agreement. However, this refund policy only applies to financial planning fees; it **does not apply** to asset under management fees (i.e., transaction-based pricing fees and/or asset-based pricing fees).

Planning fees will vary between USA Financial Securities' representatives based on a variety of factors: geographical location, representative experience, magnitude of the work involved, etc. As a result, it is possible that some clients will be paying more or less for the same services than those utilizing another USA Financial Securities financial adviser representative.

Transaction-Based Pricing

Fees may be negotiated between you and your investment adviser representative, provided that the negotiated fee does not exceed 2.7%. USA Financial Securities receives a portion of the fee, as does your investment adviser representative.

In addition to the assets-under-management fee, these additional fees will apply because the program utilizes transaction-based pricing:

PERSHING PRICING

Basis Point Charge	15bps
Stocks	\$16.00 (plus \$0.15 per 100 shares)
Mutual Funds	\$20.00
Exchanges	\$4.00
UITs	\$20.00
Bonds - Corporate	\$20.00 (plus \$1.00 per bond)
Bonds - Other	\$20.00
CDs	\$40.00

TD AMERITRADE PRICING

Basis Point Charge	15bps
Stocks	\$16.00
Mutual Funds	\$20.00
Exchanges	
UITs	\$35.00
Bonds - Corporate	
Bonds - Other	
CDs	

If USA Financial Securities' adviser does his or her own trading, the per-transaction brokerage costs may be less than those referenced above. How your adviser trades will not affect your basis-point charge.

In addition to the assets-under-management fee and brokerage charges, our custodians also charge annual maintenance fees and account termination fees on all IRA and qualified retirement plan accounts. These fees apply to all IRA and qualified retirement plan accounts, not just accounts at USA Financial Securities. These fees will appear on your account statement. Pershing will deduct administrative charges from the management fee. TD Ameritrade charges the fee separately to the account.

Asset-Based Pricing (Wrap-Fee Program Pricing)

As discussed above, under an asset-based pricing structure, you pay a higher C&A Fee because the transaction costs are included in the C&A Fee. As you can see, compared to the transaction-based pricing, the basis-point charge is higher, however, there are no per-transaction costs.

Pershing Basis Point Charge	30bps
TD Ameritrade Basis Point Charge	30bps

For more information regarding USA Financial Securities' wrap-fee program, please see [Appendix 1 – Wrap Fee Disclosure Brochure](#).

Other Manager Costs

In addition to the managers referenced above and below, USA Financial Securities has relationships with a number of third-party money managers. If you choose to utilize the services of the third-party money manager, you will complete that money manager's new account paperwork (in addition to USA Financial Securities') and each money manager is responsible for opening the account and managing the assets contained within the account. Please note that each manager will have its own fee schedule and will adhere to its preferred billing frequency and method (e.g., monthly in arrears or quarterly in advanced). Please review the third-

party money manager’s ADV carefully for important information related to their business and methods of operation.

As referenced elsewhere in this brochure, USA Financial Securities’ billing frequency and method is monthly in arrears. However, some clients may transfer to us as part of a different billing frequency and methodology. In those instances, where USA Financial Securities has the power and ability to alter the billing arrangement, we will convert clients from their existing fee schedule to monthly in arrears. As the conversion process unfolds, some clients may be on different billing frequencies and methodologies than other clients for a period of time. Any clients who join USA Financial Securities on an in-advance billing cycle but leave prior to completion of the conversion process and prior to the end of the billing cycle are entitled to a refund for the number of days between account termination and the end of the billing period. Please note, however, that this scenario is rare and there are only a limited number of accounts that require a conversion.

USA Financial Formulas Subadvisor

USA Financial Formulas is an affiliate of USA Financial Securities. Both companies are owned by USA Financial Corporation and are, therefore, affiliates by common ownership.

USA Financial Securities permits USA Financial Formulas to serve as a sub-advisor on our advisory accounts at our clients’ discretion. You are not obligated to use USA Financial Formulas as a manager, it is simply an option available for those clients who would like active management and access to USA Financial Formulas strategies through USA Financial Securities.

Accounts using USA Financial Formulas as the subadvisor will receive USA Financial Formulas disclosure brochure (if you choose this option, please review USA Financial Formulas brochure carefully; it describes USA Financial Formulas’ investment methodologies in detail and provides important information regarding the models, referred to as Portformulas. If you choose to use USA Financial Formula as a subadvisor, you will be subject to the following fee schedule:

Account Value			AUM Formula Fee	Portfolio Fee	Platform Fee	Custody Fee	Combined Total Fee
\$35,000*	but less than	\$500,000	1.20%	1.20%	0.15%	0.10%	2.65%
\$500,000	but less than	\$1,000,000	1.08%	1.08%	0.15%	0.10%	2.41%
\$1,000,000	but less than	\$2,000,000	0.96%	0.96%	0.15%	0.10%	2.17%
\$2,000,000	but less than	\$3,000,000	0.84%	0.84%	0.15%	0.10%	1.93%
Larger accounts may be negotiable based upon size.			0.84%	0.72%	0.15%	0.10%	1.81%
			0.84%	0.60%	0.15%	0.10%	1.69%
			0.84%	0.48%	0.15%	0.10%	1.57%

USA Financial Formulas’ fees are deducted by the account custodians, Axos or TD Ameritrade. For more information regarding USA Financial Formulas, see [Item 10 – Other Industry Arrangements and Affiliations and Conflicts of Interest](#), below or USA Financial Formulas’ ADV. USA Financial Formulas is an affiliate of USA Financial Securities and therefore, recommending USA Financial Formulas to you creates a conflict of interest because we get paid more, overall, if you invest in USA Financial Formulas rather than other unaffiliated money managers.

USA Financial Exchange

USA Financial Exchange is a registered investment adviser and an affiliate. USA Financial Exchange’s core business is to offer operational support services, business support services (such as technology and marketing), and a turnkey asset management program to independent, registered investment advisers (“RIAs”) for use with their clients (the “Clients”). If an RIA wishes to use Exchange for its Clients, it must use Axos for custodial services for its Clients. Axos deducts fees directly from client accounts.

USA Financial Securities serves as a sub-adviser on the USA Financial Exchange platform. USA Financial Securities affords the opportunity to investment adviser representatives to offer customized financial strategies to clients. These financial strategies have varying fee structures, determined by the representative.

USA Financial Exchange is not available as a subadviser through USA Financial Securities. However, because it is an affiliated entity, we want to make you aware of the most pertinent information regarding USA Financial Exchange. We also want to ensure we include information regarding USA Financial Exchange because it is an affiliate which naturally creates a conflict of interest. Any recommendation to invest in models on the USA Financial Exchange platform will result in additional comp to USA Financial overall.

The overall fee you pay for maintaining an account with USA Financial Exchange has four components, identified in more detail, below: Platform Fee, Strategy Fee, Custody Fee, and Advisory Fee. These four components combined equal the total fee you will pay.

PLATFORM FEE

USA Financial Exchange charges you a tiered Platform Fee based on the assets in your account:

ACCOUNT SIZE	PORTFOLIO FEE	PLATFORM FEE	CUSTODY FEE	STRATEGY FEE
\$0 - \$250,000	1.2%	0.25%	\$75 Annually	<i>SSM, PSM, of AIM fee may apply. See Allocation Form.</i>
\$251,000 - \$500,000	1.1%	0.24%		
\$501,000 - \$1,000,000	1.0%	0.23%		
\$1,000,000 - \$2,000,000	0.9%	0.22%		
\$2,000,000 - \$3,000,000	0.8%	0.21%		
\$3,000,000 and up	0.8%	0.20%		

There are strategies on USA Financial Exchange’s platform with different fee schedules than the one above. For a full listing of USA Financial Exchange’s fees, please see USA Financial Exchange’s ADV at www.usafinancialexchange.com or by searching for USA Financial Exchange on the SEC’s website at www.adviserinfo.sec.gov.

STRATEGY FEE

In addition to the Platform Fee, subadvisers (the third-party money managers who manage your assets) on our platform will also charge a fee (“Strategy Fee”). The Strategy Fee you pay depends on which subadviser you select, but the fees typically range from 0.35% (35bps) to 1% (100bps). Please see USA Financial Exchange’s *Client Profile* form in the new account application packet for a full listing of all specific fees and allocations. USA Financial generally does not participate in the Strategy Fee

CUSTODY FEE

Axos also charges a \$75 annual per account fee (“Custody Fee”). This fee is assessed by Axos – USA Financial Exchange does not receive a portion of this fee.

ADVISORY FEE

Additionally, each RIA/financial adviser will charge an advisory fee (“Advisory Fee”) for the services provided to you. The Advisory Fee is assessed by your financial adviser’s RIA and your financial adviser receives a portion of it. The Advisory Fee covers serviced provided to you by your financial adviser: investment advice, account monitoring, etc. USA Financial Exchange does not receive any portion of the Advisory Fee assessed by your financial adviser. The Advisory Fee and all other relevant fees and charges should have been disclosed to you by – your financial adviser during the new-client and/or new-account process and incorporated into a written advisory agreement which you would have signed. You should also refer to your

financial adviser's RIA's Form ADV 2A and the adviser's fee schedule. Fees paid to your financial adviser in the form of an Advisory Fee are in addition to the fees paid to USA Financial Exchange.

The maximum fee permitted on USA Financial Exchange's platform is 2.7% plus the \$75 annual custodian fee.

For more information, please review USA Financial Exchange's ADV Disclosure Brochure, available at www.adviserinfo.sec.gov and on USA Financial Exchange's website <https://usafinancialexchange.com/adv/>.

Other Advisors and Money Managers

For certain client assets and in very limited instances, USA Financial Securities outsources a portion of the investment management to United Capital Financial Advisers, LLC ("United Capital"), an investment adviser not affiliated with USA Financial Securities who serves as sub-adviser ("Sub-Manager"). This relationship is discussed fully in Item 10 - Additional Information – Other Financial Industry Activities and Conflicts of Interest, below.

United Capital negotiates its fee schedule on a contract-by-contract basis and deducts fees directly from client accounts.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

USA Financial Securities does not charge performance fees – that is, fees based on a share of capital gains or capital appreciation of the assets in client accounts.

Side-by-side management occurs when an investment adviser manages both performance-based fee accounts non-performance-based fee accounts at the same time. Side-by-side management can result in conflicts of interest because there is an incentive to direct clients to performance-based fee accounts because the firm will, most likely, receive more fees. However, because USA Financial Securities does not charge performance fees, we do not engage in side-by-side management and have no conflicts of interest relevant to side-by-side management.

ITEM 7: TYPES OF CLIENTS

USA Financial Securities provides investment advice to individuals, corporations and trusts. Many of our investment adviser representatives focus on retirement planning, therefore, a significant portion of our client base is comprised of pre-retirees and retirees.

Conditions for Managing Accounts

USA Financial Securities does not place restrictions on who can engage our financial planning services. A determination will be made, based on the information available to us, whether a financial planning fee is suitable considering your unique financial situation, objectives, and goals. We require a minimum planning fee of \$100.

Our wrap-fee program platforms do require account values of at least \$15,000. Additional information regarding the wrap-fee platforms, including account minimums, is provided as part of Appendix 1 – Wrap Fee Brochure.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis Investment Strategies

USA Financial Securities' investment adviser representatives may utilize many different methods of analysis when developing your specific financial plan. For example, your investment adviser may review past investments that you made and compare those investments with your current objectives to determine whether those investments are still a good fit, or he or she may use software to design a plan that supplements your current plan.

We offer advice about a wide variety of investment types, including mutual funds, exchange traded funds, index funds, equity index annuities, fixed annuities, variable annuities, and unit investment trusts. Your unique situation and financial goals will dictate which investment products or strategies are right for you.

Risk of Loss

All investments bear different types and degrees of risk. Investing in securities involves risk of loss, which you need to be prepared to bear.

While our investment advice is designed to provide appropriate investment diversification, some investments have significantly greater risks than others. Obtaining higher rates of return on investments entails accepting higher levels of risk. Our firm's investment advice seeks to balance risks and rewards to achieve investment objectives. It is important that you ask your investment adviser representative questions and that you request clarification if you do not understand the risks associated with a particular investment or strategy.

We strive to render our best judgment on behalf of our clients. Still, we cannot guarantee that your investments will be profitable or that there will be no losses in your investment portfolio. It is important for you to understand that while past performance is an important consideration with respect to any investment or investment adviser, it is not a reliable predictor of future performance. We strive to provide advice that will yield solid, long-term investment performance. However, many economic and market variables beyond our control can affect the performance of an investment portfolio and our investment advice does not guarantee success.

ITEM 9: DISCIPLINARY INFORMATION

Beginning in 2019, the Securities and Exchange Commission's ("SEC") Enforcement Division began a national "sweep" investigation with respect to various types of revenue-sharing arrangements in the securities industry, including commonly used "sweep" programs for clients' short-term cash management. USA Financial Securities Corporation's ("USA Financial") clearing/carrying firm, Pershing, offers these arrangements to investors through our firm. To facilitate transfers of funds awaiting investment, many clients elect to participate in Pershing's "Choice Plus" cash sweep program and designate a money market fund available on Pershing's platform. Consequently, we were included in the SEC's "sweep - sweep". On August 3, 2021, USA Financial agreed to a settlement with the Commission in order to resolve the Commission's inquiry into our participation in Pershing's cash sweep program. A copy of that order is attached for your review.

During the relevant period of the SEC's investigation, 2015—2020, USA Financial participated in Pershing's Choice Plus program. The Choice Plus money market funds provided revenue sharing basis points to firms based on average fund balances. USA Financial's options, at the time spelled out in Pershing's schedule of available money market funds, were to participate in Choice Plus or utilize non-Choice Plus money market funds. By utilizing the Choice Plus program, participating investors did not incur brokerage fees or ticket charges on money market fund sweep deposits or later redemptions — critical cost-saving features for short-term cash management holdings. Moreover, we compared historical performance among the available MMF options, and Pershing informed

us that revenue sharing did not affect these MMFs' investment returns to clients. So, we chose to participate in the program because we believed it was more advantageous to you based upon then-available information provided by Pershing.

In preparation of our response to the SEC staff, USA Financial spoke with our designated Pershing representatives on multiple occasions. Throughout our early 2020 communications with Pershing—then even knowing the reason and seriousness of the SEC's investigation—Pershing still never advised us that there was, in fact, an alternative MMF group available with the same client-favored features but without a revenue sharing component. Finally, on October 1, 2020, USA Financial was connected to Pershing's legal department. In that conversation, it was revealed to us that Pershing now maintains an additional MMF group, so-called "Group 0", in Pershing's Choice Plus program. As we now understand it, this "Group 0" provides all of the client benefits of the Choice Plus MMFs—no ticket charges, no transaction charges—but Pershing does not pay revenue sharing on "Group 0" funds. Pershing listed no "Group 0" option in its 2012 or 2016 clearing agreement schedules. Indeed, even Pershing's new designation—"Group 0"—evidences that this alternative was not then in existence.

Pershing did not communicate the existence of any "Group 0" funds to USA Financial at any time prior to October 1, 2020—which came from a conversation USA Financial requested with Pershing's legal department, not from Pershing's business or operations teams. "Group 0" was not announced by Pershing and it was certainly not available to USA Financial when our Choice Plus MMF selections were made in 2012 and 2016. In short, until Pershing's legal department's revelation, we believed our "default" MMF selections were the best available for clients seeking short-term cash management solutions at the lowest available cost—i.e., without transaction costs or ticket charges.

USA Financial did not inform our advisers that Choice Plus provided our firm with revenue share nor did we promote or incentivize your financial adviser to recommend the Choice Plus MMFs over Pershing's other available MMFs—the goal being that each recommendation was made on a neutral, case-by-case basis. USA Financial received, in the aggregate, an extraordinarily small amount of revenue sharing from Pershing over the entire five-year Relevant Period, illustrating the lack of significance our firm placed on Pershing's Choice Plus program. While some industry firms received 25% of their overall revenue from cash-sweep revenue, USA Financial's revenue share accounted for only 0.22% of our firm's overall revenue.

Nevertheless, our participation in the program constituted a conflict and we are taking corrective action as a result. We are in the process of moving all clients away from MMFs that provide revenue share – it was never our intent to make money off this program and therefore, we have no interest in maintaining this type of arrangement as part of our business model. If this applies to you, you will have received a letter regarding the reallocation. Additionally, we have deposited a portion of the revenue sharing we received from Pershing in a "fair fund" account for the benefit of all affected clients. Affected clients will receive a distribution from the Fair Fund in the coming months. Finally, we paid a fine which will be deposited into the U.S. Treasury.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Other Financial Industry Activities

USA Financial Securities' primary business activity is conducting business as a broker-dealer. As a broker-dealer, we are regulated by the SEC, FINRA, and state regulators. Our SEC file number is 8-52342, and our CRD number is 103857.

Most of our Firm's investment adviser representatives are also registered representatives of our broker-dealer. The proportion of time each representative spends on securities brokerage, investment adviser, insurance and other activities varies from representative to representative. You should always feel free to ask your adviser investment representative about their activities.

Other Financial Industry Affiliations

USA Financial Affiliations

As referenced in the section, Advisory Business, USA Financial Securities is a wholly-owned subsidiary of USA Financial Corporation. USA Financial Corporation also owns other companies: USA Financial Insurance Services Corporation (“USAF Insurance”), USA Financial Formulas Corporation (“USA Financial Formulas”), USA Financial Marketing Corporation (“USAF Marketing”), USA Financial Exchange Corporation (“USAF Exchange”), and USA Financial Protocol Corporation (“USAF Protocol”). USAF Insurance wholesales fixed insurance products to independent insurance agents. USAF Formulas is an SEC-registered investment adviser. USA Financial Marketing develops and distributes marketing and technology solutions for financial professionals. USAF Exchange is an SEC-registered investment adviser offering advisory platform services to financial advisers and registered investment advisers. USAF Protocol serves as a marketing and brand-building resource for registered investment advisers.

Michael Walters is the chief executive officer of USA Financial and all subsidiaries and Brent Enders is the president.

USA Financial Securities obtains many of its representatives through its affiliates. Advisors who connect with USA Financial through one subsidiary typically elect to utilize USA Financial Securities as their broker-dealer/registered investment adviser. Additionally, USA Financial Securities maintains expense-sharing agreements with its affiliates, whereby certain administrative expenses are shared between two entities. These expenses include, but are not limited to, equipment rental, telephone services, health insurance, cleaning services, and a security system. These arrangements are essential to USA Financial Securities’ ability to provide services to its clients.

USA Financial Formulas also serves as a sub-adviser option for advisory accounts on our platform. You are not obligated to use USA Financial Formulas as a sub-adviser, it is simply an option available for those clients who would like active management and access to USA Financial Formulas strategies through USA Financial Securities. Accounts using USA Financial Formulas as the sub-adviser will receive USA Financial Formulas disclosure brochure and will be subject to the fee schedule outlined in [Appendix 1 – Wrap Fee Brochure, Fees and Compensation](#).

USA Financial Formulas and USA Financial Exchange

The two most significant affiliate relationships for purposes of our advisory business occur between USA Financial Formulas and USA Financial Exchange. USA Financial Formulas is available as a subadviser on USA Financial Securities’ advisory platform, as described above. USA Financial Exchange is an SEC-registered investment adviser. USA Financial Exchange’s core business is to offer operational support services, business support services (such as technology and marketing), and a turnkey asset management program to independent, registered investment advisers (“RIAs”) for use with their clients (the “Clients”). Both entities are affiliates by common ownership with USA Financial Securities.

USA Financial Formulas

USA Financial Formulas’ Services

USA Financial Formulas’ primary objective is to eliminate human emotion from the investing process. USA Financial Formulas does this by using a step-by-step, objective stock-selection process. The firm does not use money managers. USA Financial Formulas’ stock selection criteria is based on a particular portfolio’s objective, and then a formula selects only those equities that meet the qualification criteria, e.g., the stocks must have a specific price-per-earnings ratio or the stocks must be issued by a large cap company. USA Financial Formulas exercises investment discretion on all of its accounts. Investment discretion occurs when an investment adviser has the ability to determine which securities should be purchased or sold within a client’s account.

USA Financial Formulas' Fees

Fees for portfolio and supervisory services, including most transactional charges, are charged as a percentage of assets under management, and are calculated, accrued and due monthly in arrears. Please see Item 5 – Fee and Compensation, above for USA Financial Formulas' fee schedule.

USA Financial Formulas provides investment advice to individuals, trusts, and corporations. Additionally, the majority of USA Financial Formulas' clients are moderate to aggressive investors capable of sustaining losses in their investment accounts. **Conservative, risk-averse clients should seriously consider the risks involved before investing with USA Financial Formulas.**

USA Financial Formulas' Account Minimums and Restrictions

USA Financial Formulas requires a minimum account size of \$35,000 for Axos and TD accounts and a \$50,000 minimum for Pershing accounts. Exceptions may be made, solely in our discretion, based on a variety of factors, including but not limited to, prior or anticipated investment activity and family or employment relationships. We may also, in our discretion, aggregate related accounts in the same household in determining whether the account minimum has been met. Minimums may be negotiated depending on your personal circumstances. Furthermore, we also require that clients invest at least \$15,000 in each model.

USA Financial Formulas applies a carefully-crafted formula to determine which securities should be held in clients' accounts. USA Financial Formulas does this in an attempt to eliminate human emotion from the investing process – its fundamental investment philosophy is founded on the premise that emotion can equate to unwise investment decisions. Therefore, using opinion or bias to change the securities chosen by the formula is antithetical to USA Financial Formulas' investment philosophy.

That being said, you are permitted to impose **reasonable** restrictions on the management of your account. Whether a particular restriction is reasonable depends on an analysis of the relevant facts and circumstances. For example, the exclusion of an individual stock due to conflicts of interest would appear to be reasonable under ordinary facts and circumstances. In the adopting release for Rule 3a-4, however, the SEC noted that programs do not need to permit clients to direct the manager to purchase specific securities or types of securities. The SEC also noted that the restrictions imposed by a client could be unreasonable in the aggregate, even if each restriction is reasonable when considered separately. In addition, restrictions could be unreasonable if a client changes them or imposes new restrictions with excessive frequency. Therefore, USA Financial Formulas will permit you to impose reasonable account restrictions if they are reasonable in light of the relevant facts and circumstances. However, clients cannot direct USA Financial Formulas to purchase specific securities.

If your restrictions are unreasonable, USA Financial Formulas will contact you and give you an opportunity to restate the restriction more reasonably. If you are unable or unwilling to modify an unreasonable restriction, you will be removed from the program.

Given that decisions based on human emotion and/or general human intervention fly in the face of USA Financial Formulas' investment philosophy and advice, if you choose to request a reasonable restriction, you will be asked to complete USA Financial Formulas' Reasonable Restrictions Disclosure form. This form will document your desired restriction and acknowledge that the request is outside of USA Financial Formulas' standard investment advice. Please note that because restrictions fall outside of USA Financial Formulas' investment advice, USA Financial Formulas is not responsible for performance that differs from other similarly-situated client accounts based on the requested restriction.

USA Financial Formulas identifies which securities will be held in the clients' accounts on or around the first of the month, prior to standard, beginning-of-the-month trading. As a result, USA Financial Formulas will screen clients' accounts to ensure that the reasonable restriction is honored. If a restricted position trades into the client's account, USA Financial Formulas will take necessary measures to ensure that the position is removed.

USA Financial Formulas' Methods of Analysis, Investment Strategies, and Risk of Loss

USA Financial Formulas is an equity-based investment strategy and is therefore not appropriate for all investors. USA Financial Formulas' team creates and defines each USA Financial Formulas' overall investment objectives and the investment selection criteria. Once the investment-selection criteria is defined, however, USA Financial Formulas uses that criteria to determine its investment recommendations – USA Financial Formulas' proprietary, formulaic process applies the investment selection criteria to a universe of stocks or investment.

USA Financial Formulas' investment strategies are varied. The most important thing to understand is that USA Financial Formulas' investment strategies generally utilize equities. Equities are risky and if you invest with USA Financial Formulas, you need to be able to bear the risk of loss associated with an equity-laden investment strategy.

Additionally, attempting to eliminate human intervention from the investing process carries unique risks. USA Financial Formulas' RAM Score tool tracks market and economic indicators to determine the risk of recession. If the RAM Score tool detects a probable recession, it will move your assets out of the market. Similarly, once the RAM Score feature detects a probable bull market, it moves your assets back into the market. However, **there is no tool that can predict market performance with any certainty.** Thus, your USA Financial Formulas account could be invested in the market during a significant decline, resulting in losses, or out of the market during a period of growth, causing you to miss out on market gains.

USA Financial Formulas' investment strategies also involve frequent trading. Accounts are traded on a monthly basis. Because USA Financial Formulas trades on an omnibus or block level, trading costs can be kept low, however, you may pay more in transaction costs than you would if USA Financial Formulas did not engage in frequent trading. Also, frequent trading can result in tax consequences. Please be sure to speak with a tax professional regarding any potential tax implications associated with your USA Financial Formulas account.

USA Financial Exchange

USA Financial Exchange's Services

Exchange provides RIAs with a range of advisory and support services that RIAs use in servicing their Clients. Specifically, Exchange offers:

Operational Support Services

USA Financial Exchange provides offer operational and back-office support to RIAs looking to operate independently through third-party service providers and additional services made available directly to the investment adviser. USA Financial Exchange leverages its relationship with Axos to provide RIAs access to a platform they might not otherwise have access to because of various factors such as technology-integration limitations and assets under management levels. USA Financial Exchange is also able to leverage our technology-vendor relationships to provide RIAs with comprehensive and fully-integrated technology tools designed to enhance the Clients' participation in the investment process and understanding of their overall portfolio. Additionally, USA Financial Exchange may assist RIAs in answering operational questions related to establishing strategies on the platform and/or account maintenance questions.

Business Support Services

Through its affiliated entities, USA Financial Exchange offers various business support services to independent RIAs. Through its affiliated marketing company, USA Financial Marketing, USA Financial Exchange can provide marketing resources to RIAs. And, because of relationships forged by USA Financial Securities Corporation and USA Financial

Formulas, USA Financial Exchange is able to offer RIAs access to technology resources. USA Financial Exchange does not provide compliance consulting or compliance services to investment advisers – each independent adviser is responsible for its own compliance and for understanding and complying with all applicable laws, rules, and regulations.

Turnkey Asset Management Program (“TAMP”) Services

USA Financial Exchange is best classified as a TAMP. A TAMP is a collection of money managers made available to investment professionals through a single platform. The goal of a TAMP is to make investing client assets more streamlined and efficient. For example, if a client wants to invest with three different money managers, instead of opening three separate accounts – one direct with each money manager – the client can open one account through the TAMP and hold all of three money managers within one account. Not all TAMPs offer the same collection of money managers. USA Financial Exchange identifies and conducts due diligence on each money manager before adding them to the TAMP. USA Financial Exchange also provides ongoing due diligence on each manager including evaluating the manager to determine if the manager and investment vehicles meet style and allocation criteria.

USA Financial Exchange does not provide investment advice directly to any RIA clients nor does USA Financial Exchange review or supervise investment advisory transactions recommended by the RIA. A client’s RIA determines which services to use and which managers in the TAMP are best aligned with their clients’ goals and objectives. RIAs may use the services of other third-party providers in connection with the services we provide. Therefore, Clients should consult their RIA’s Form ADV Part 2 for a full description of that RIA’s specific use of USA Financial Exchange’s services.

Given that USA Financial Exchange’s business relationships are strictly with RIAs, it does not interact with retail clients nor carry any retail clients of its own, other than RIAs. Additionally, because USA Financial Exchange’s business is more akin to a service provider than a traditional money manager, USA Financial Exchange does not manage client assets – discretionary or otherwise.

USA Financial Exchange’s Fee Schedule

USA Financial Exchange’s fee schedule can be found, above, in [Item 5 – Fees and Compensation](#). For a full list of services offered through Axos and their accompanying fee, please review USA Financial Exchange’s full ADV Disclosure Brochure, found at www.adviserinfo.sec.gov or www.usafinancialexchange.com.

USA Financial Exchange – Conflicts of Interest

USA Financial Exchange does not utilize investment adviser representatives. However, USA Financial Securities’ investment adviser representatives may use USA Financial Exchange’s services. Clients of USA Financial Securities will be charged the same price as clients working with other, non-affiliated RIAs. USA Financial Securities’ investment adviser representatives may also have access to technology not available to independent RIAs simply based on the fact that USA Financial Securities bundles technology applications and offers it to its representatives as a package, thereby permitting USA Financial Securities to take advantage of economies of scale through various technology vendors.

RIAs who access USA Financial Exchange’s custodial platforms in order to manage their own accounts will have access to all fund companies, products, and investments available on the custodial platform.

USA Financial Securities serves as a sub-adviser on the USA Financial Exchange platform. USA Financial Securities affords the opportunity to investment adviser representatives to offer customized financial strategies to clients. These financial strategies have varying fee structures, determined by the representative. This poses a conflict of interest for the representative to offer strategies that they manage, as they would retain any manager fees associated with the strategy as opposed to fees being paid to a third party asset manager.

It is possible that Axos will reduce charges for USA Financial Exchange or transaction charges for our affiliate, USA Financial Formulas, who also uses Axos as a custodian. This creates an incentive for USA Financial Exchange to direct accounts and assets to USA Financial Formulas, as well as for USA Financial Formulas to direct assets to USA Financial Formulas accounts on USA Financial Exchange, rather than accounts opened directly at USA Financial Formulas. Individual money managers available through USA Financial Exchange's platform may use different fee schedules for assets placed direct compared to assets placed through USA Financial Exchange. As a result, clients could be paying more or less by accessing the money manager through USA Financial Exchange.

Other Affiliations

For certain client assets and in very limited instances, USA Financial Securities outsources a portion of the investment management to United Capital Financial Advisers, LLC ("United Capital"), an investment adviser not affiliated with USA Financial Securities who serves as sub-adviser ("Sub-Manager"). USA Financial Securities' relationship with United Capital was established based solely on a preexisting relationship a specific adviser had with United Capital prior to joining USA Financial Securities. United Capital is not permitting USA Financial Securities to open this relationship up to all of its clients. Therefore, as a result, some of USA Financial Securities' clients will have access to this investment while others will not. Additionally, clients utilizing United Capital will be participating in different fee schedules and investments than those clients who do not have access to United Capital.

United Capital is granted limited discretionary investment authority over assets that USA Financial Securities assigns to United Capital. For the assets directed to Sub-Manager for services, its responsibility includes the authority to:

- exercise discretion to determine the types of securities bought and sold, along with the percentage allocation;
- apply its discretion as to when to buy and sell;
- apply its discretion as to the timing of transactions;
- withdraw fees directly from accounts;
- select the broker-dealer for execution of securities transactions, if appropriate, and
- take other portfolio management actions USA Financial Securities delegates or deems appropriate

Any authority of United Capital only applies to the specific assets, within the Client's custodial account, for which United Capital has been appointed as the discretionary manager. United Capital shall not provide investment advice or have any advisory responsibility to Clients utilizing United Capital's services, beyond the assets for which it is appointed as Sub-Manager. The terms of services provided by United Capital are directed in accordance with a separate written agreement entered into between USA Financial Securities and United Capital. United Capital also provides separate services to USA Financial Securities under its division FinLife Partners.

Clients utilizing United Capital will have access to a suite of digitally powered technology solution offered by FinLife Partners, a division of United Capital Financial Advisers, LLC ("FinLife Partners"). FinLife Partners provide access to its technology platform to USA Financial Securities that includes use of certain technology platform, training relating to use of such technology platform, and if elected by USA Financial Securities, certain clerical document and data compilation services. FinLife Partners is not in any way involved in, or responsible for, the individual investment management or guidance provided to Clients. USA Financial Securities pays FinLife Partners a flat fee for its technology implementation services and fees calculated per percentage-basis formula in accordance with the volume of clients for whom USA Financial Securities utilizes such services and/or products. As such, for certain services offered, Clients indirectly contribute to the payment of cost of services paid to FinLife Partners. Theoretically, USA Financial Securities' costs go down the more clients who are referred to United Capital, which would create a conflict of interest. However, USA Financial is not opening the United Capital platform to all clients and we are not actively referring clients to it. Therefore, we believe this conflict is minor and mitigated by the narrow scope of our relationship with United Capital.

ADDITIONAL CONFLICTS

USA Financial Securities is a business. And, as a business, our goal is to make a profit so that we can continue to improve our services and products and fulfill our stated mission to power your legacy. Your best interest is our primary concern. There are, necessarily,

conflicts of interest that arise in the financial services industry. A conflict of interest is anything that could cause USA Financial Securities to place its interests ahead of yours. These conflicts are found everywhere in our industry, but we try to mitigate them and disclose them to you so that you are informed. In this section, we disclose conflicts that you should understand and consider before investing.

RECRUITING ARRANGEMENTS AND COMPENSATION

Recruiting arrangements in the financial services industry are not uncommon – whether the payment is up front or in the form of additional compensation through affiliated entities. USA Financial does not offer up front recruiting bonuses. We do provide our advisers with transition support dollars to help with the cost and loss of revenue associated with moving brokerage or advisory firms. We also want our advisers to feel like partners. Therefore, USA Financial created the Advisor Legacy program. The Advisor Legacy program has many components, but most important in terms of conflicts, is the Advisor SHARES program. Advisor SHARES grants ownership interest to USA Financial's qualified advisers based on revenue submitted to USA Financial. We do not favor one product or product category over another – advisers earn shares based on volumes submitted across the products and services our company offers. However, you need to be aware of this program because it is an incentive for advisers to move to USA Financial and place business with our firm. We believe we mitigate this risk by not favoring one product over another and maintaining strict suitability reviews and standards to ensure that all transactions are in your best interest.

12B-1 FEES IN BROKERAGE ACCOUNTS

As referenced in our Form CRS, USA Financial receives 12b-1 fees from mutual fund companies when you purchase mutual funds within a brokerage account. USA Financial eliminated 12b-1 fees for mutual funds purchased in advisory accounts based on our fiduciary duty as a registered investment adviser. This creates a financial incentive to make recommendations that result in the receipt of that compensation, i.e., recommending that you open a brokerage account rather than an advisory account. Depending on the nature of the compensation, this financial incentive would give rise to conflicts relating to, for example, the types of investments, the fund families, the particular funds and the share classes of individual funds that we recommend, as well as the extent of trading we recommend. For instance, when we receive 12b-1 fees in connection with mutual fund recommendations, we have a financial incentive to recommend that you invest in a share class that pays 12b-1 fees. The resulting conflict of interest is especially pronounced when share classes of the same funds that do not bear these fees are available to you. However, USA Financial mitigates this conflict on brokerage business by conducting account reviews to ensure that the costs associated with the account and the ongoing trading and maintenance of the account are in your best interest.

VARIABLE ANNUITY CONFLICTS

USA Financial Securities also has arrangements whereby we wholesale variable annuities. Currently, we wholesale variable annuities for Allianz and Lincoln Financial Group. By wholesaling these variable products, the insurance company pays USA Financial a portion of the commission that it would normally pay its internal wholesalers. This is a conflict of interest and creates a situation whereby we have an incentive to recommend the variable annuities we wholesale compared to variable annuities we do not wholesale. USA Financial mitigates this risk by conducting an independent best interest review performed by securities operations professionals. You are not obligated to purchase these variable annuities and we have other variable annuities available that do not pay us conflicted compensation.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Code of Ethics

USA Financial Securities conducts its advisory business professionally and ethically, adhering at all times to relevant rules, laws, and guidelines. Accordingly, pursuant to Rule 204A-1 of the Investment Advisers Act of 1940, we have adopted a Code of Ethics. Copies will be provided upon request.

Participation or Interest in Client Transactions

USA Financial Securities or its representatives may buy or sell securities for its or their own account(s) ("Proprietary Account(s)"), securities that we recommend to our clients, including clients that are related persons. Neither our firm nor our related persons are permitted to enter into, or have an interest in, an investment transaction that would create a conflict between our interests and your interests without fully disclosing the conflict to affected clients. Similarly, neither our firm nor our related persons are permitted to benefit, directly or indirectly, from transactions made in your account. Proprietary Accounts may benefit on the same basis and to the same extent as clients' accounts when each holds the same investment. We do not allow "cross transactions" between clients or between clients and Proprietary Accounts.

Personal Trading

Generally, investments may only be purchased for proprietary accounts simultaneously or after client purchases. Investments may only be sold simultaneously or after client sell-orders are completed. Exceptions may be made for personal securities trades that we believe do not involve potential conflicts of interest, such as open-ended mutual funds, U.S. Treasury securities, and small amounts of stock or closed-end funds that have very large market capitalization and/or very high average trading volume.

ITEM 12: BROKERAGE PRACTICES

USA Financial Formulas' Brokerage Practices

Research and Other Soft Dollar Benefits

USA Financial Formulas participates in TD's institutional customer program, although the benefits and conflicts associated with USA Financial Formulas' participation in this program are limited for USA Financial Securities' clients. However, TD may also have paid for business consulting and professional services received by USA Financial Formulas' related persons. Some of the products and services made available by TD through the program may benefit USA Financial Formulas but may not benefit client accounts. These products or services may assist USA Financial Formulas in managing and administering client accounts, including accounts not maintained at TD, like those maintained at Pershing through USA Financial Securities. Other services made available by TD are intended to help USA Financial Formulas manage and further develop its business enterprise. The benefits received by Advisor or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD. USA Financial Formulas endeavors at all times to put the interests of our clients first. You should be aware, however, that the receipt of economic benefits by USA Financial Formulas or its related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD for custody and brokerage services.

Directed Brokerage

Because USA Financial Formulas utilizes two custodians – Axos and TD – and serves as a sub-adviser on Pershing accounts, you will be required to direct our firm to utilize one of these custodians for execution. This practice is referred to as directed brokerage. Not all investment advisers require their clients to direct brokerage. Where you direct your account is simply based on your preference and the recommendation of your financial adviser. In many cases, directed-brokerage arrangements can result in higher costs to clients because the financial adviser may not be able to aggregate orders to reduce transaction costs or the client may receive less favorable prices.

USA Financial Formulas bundles client trades and submits them to the custodians in an effort to obtain the best prices possible, but if there are relatively few accounts at the custodian you direct, then you may incur higher transaction costs and less favorable prices.

Best Execution

The Firm is obligated to ensure orders are being sent to the markets in an efficient manner and to execute any transactions in the manner it believes is in the client's best interest. The Firm's primary consideration with regard to purchases and sales for its clients is obtaining the most favorable execution of the transactions needed to implement client's investment strategy.

Price received on an execution is obviously an important factor in determining best execution, but it is certainly not the only factor to consider. So therefore, in addition to reviewing execution prices, the firm conducts a comprehensive review of non-price factors having a direct impact on overall execution quality. The areas reviewed include but are not limited to: 1. The custodian's overall pricing structure, 2. The custodian's execution capability during volatile market conditions, 3. The custodian's response to trade corrections, requests for information and general willingness, ability, facilities and infrastructure to work with regional broker-dealer and investment advisor firms, 4. The frequency of trade errors, 5. Confidentiality of orders, and 6. The custodian's overall financial strength and reputation.

Order Aggregation

USA Financial Securities does aggregate orders on its wrap-fee platform. Additional information regarding our firm's order aggregation policies can be found in our Wrap Fee Brochure.

ITEM 13: REVIEW OF ACCOUNTS

USA Financial Securities reviews every financial agreement and investment advisory account prior to the account being established. Before USA Financial Securities will execute an agreement with you, we require your investment adviser representative to submit, along with the agreement, a written document documenting your financial plan. We use the information you provided on your Client Profile, along with the written financial plan, to determine the suitability of your investment adviser's recommendations. We also conduct period account reviews when supplemental documentation is submitted for an established financial plan, to ensure that the additional action is consistent with your original financial plan.

After your investment advisory agreement is established, USA Financial Securities will send you a written report regarding your account. The report will document the basic information you provided on your client profile – such as, net worth, annual income, and investment objective. USA Financial Securities uses this information to perform its initial and ongoing suitability reviews, therefore, it is important to review this report and if you see any information that does not appear to be accurate, contact USA Financial Securities immediately.

Additional details regarding how USA Financial Securities reviews accounts on our wrap-fee platforms, are provided as part of [Appendix 1 – Wrap Fee Brochure](#).

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

Client Referrals

Generally, USA Financial Securities does not compensate any person or company, directly or indirectly, for client referrals. However, in very limited circumstances, we do maintain relationships with certain lead generation companies that put clients in touch with financial advisers. Specifically, our investment adviser representatives work with SmartAsset Advisors (“SmartAsset”). SmartAsset refers potential clients to financial professionals in exchange for a referral fee. All clients referred as part of this arrangement have signed up and indicated that they want to be matched to a financial professional in their area. SmartAsset makes the introduction. Clients then choose if they want to work with the adviser – there is no obligation. The amount of the referral fee is determined between each financial professional and SmartAsset pursuant to a written agreement, but compensation will take the form of a retainer, a flat fee per referral, and/or a percentage of introduced capital. The referral fees are paid by the Advisor to whom you are matched, regardless of whether you become a client. No portion of the referral fee is paid by you, as the investor. Furthermore, the fees you pay for your financial professional’s investment advice will not increase because of their arrangement with SmartAsset.

Neither USA Financial nor our investment adviser representatives are affiliated with SmartAsset.

Other Compensation

Because USA Financial Securities is a registered broker-dealer, the firm will receive commissions on any products that you purchase through the broker-dealer. This may or may not create a conflict of interest. Furthermore, commissions paid to USA Financial Securities may be higher or lower than those obtainable at other broker-dealers.

Many of USA Financial Securities’ investment adviser representatives are also registered representatives of our broker-dealer. These representatives may receive additional compensation and/or commissions from the purchase and sale of stocks, mutual funds, variable annuities, other investment products, and insurance products through the broker-dealer. This compensation includes 12b-1 fees.

12b1 Fee Offset Policy

USA Financial Securities is dually registered as both an investment adviser and a broker-dealer. As a broker-dealer we receive 12b1 fees (sometimes called “trail commissions”) from the sale of certain share classes of certain mutual funds. Depending on your circumstances and investment objectives, you may pick and/or we may recommend mutual fund share classes that pay us 12b1 fees with respect to your purchases. Mutual fund prospectuses provide a full description of the types of fees and charges they impose, including 12b1 plans and related fees they pay to broker-dealers for distribution and shareholder servicing. Many but not all mutual funds offer share classes that pay 12b1 fees.

As an investment adviser we strive to provide objective investment advice when we make recommendations, including the selection of mutual funds and share classes. In order to mitigate the conflict of interests, we have adopted a “fee off-set” policy. (“12b1 Fee Off-set Policy”). Under our 12b1 Fee Off-set Policy we have instructed mutual fund companies and clearing broker-dealers holding mutual funds in their accounts to credit all 12b1 fees we receive to our clients’ investment adviser advisory accounts. Our 12b1 Fee Off-set Policy is limited to the 12b1 fees that we actually receive with respect to mutual fund shares held in your account(s) with us. This includes 12b1 fees paid on mutual fund shares you may already own when you establish your investment advisory services account with us. Our 12b1 Fee Off-set Policy is limited to the amount of our advisory fees otherwise payable by you to us with respect to our advisory services. Under the Investment Company Act of 1940 we cannot rebate mutual fund brokerage commissions in excess of the amount of our advisory fees chargeable to your account. While custodial account statements may differ in how our 12b1 Fee Off-set Policy is reported, your account statements should show a credit for the 12b1 fees we would otherwise have received for your mutual fund purchases.

As referenced elsewhere in this brochure, you are not obligated to act upon any investment advice or recommendation we and our investment adviser representatives may give with respect to any mutual fund or any share class. You are not obligated to use the brokerage services we and our registered representatives offer to purchase mutual fund shares. You may use the services of any broker-dealer of your choosing, whether or not affiliated with our firm or our representatives. You may purchase mutual fund shares directly from some fund companies. However, our 12b1 Fee Off-set Policy is limited to the amount of 12b1 fees we would have otherwise received if not credited to your account.

For a more detailed discussion related to mutual fund share classes, including sales charges, fees, and other important considerations, please view our [Mutual Fund Share Class Disclosure](#) document. You may request a copy of this disclosure form your investment adviser representative. Alternatively, a copy of the [Mutual Fund Share Class Disclosure](#) can be found on our website at: <http://www.usafinancialsecurities.com/investments-and-products>.

Additionally, in order to provide the best service possible, USA Financial Securities offers clients the opportunity to invest with outside, third-party money managers. These arrangements generally work one of two ways. If USA Financial Securities refers you to a third-party money manager, our firm is considered the solicitor, and the third-party money manager is the registered investment adviser. However, some third-party money managers simply provide investment platforms for USA Financial Securities to utilize, and while the third-party money manager executes trades and directs the management of your assets, USA Financial Securities retains its investment adviser status. Under both arrangements, USA Financial Securities receives a portion of the advisory fee you paid to the third-party money manager.

Finally, it is standard industry practice for registered representatives of broker-dealers to have marketing agreements with product suppliers. These suppliers may include mutual fund companies, variable annuity companies, unit investment trust companies or real estate investment trusts. These marketing agreements provide for payment of marketing expenses to the selling broker-dealer or its registered representative in addition to commissions. These fees are not normally a direct expense of a particular product but are paid by the sponsoring company to make up for costs incurred by the broker-dealer or its registered representative for marketing the product. USA Financial Securities employs investment adviser representatives, who in their capacity as registered representatives of a broker-dealer, may receive marketing allowances through the broker-dealer with respect to recommended products.

Cash Sweep Revenue

Pursuant to the SEC's sweep-sweep examination – discussed in [Item 9](#), above, USA Financial has decided to no longer offer money market funds ("MMFs") that provide revenue sharing to our firm. For many years, USA Financial participated in Pershing's Choice Plus program and made sweep accounts available to its clients whereby the cash balance in a brokerage account at Pershing was automatically deposited or "swept" into an interest-bearing Bank Deposit Sweep Program account utilizing MMFs. Some of the Choice Plus MMFs provide revenue sharing to firms – some do not. To avoid a conflict of interest, we will no longer utilize MMFs that participate in revenue sharing. We will still have cash sweep MMFs available that provide the same client-centric benefits of the revenue-sharing Choice Plus MMFs—no ticket charges, no transaction charges—but Pershing will not pay revenue sharing on the funds we make available.

As part of discontinuing our participation in revenue-sharing MMFs, we transferred already-invested clients ("Legacy Clients") to other, similarly situated MMFs that do not provide revenue. Legacy Clients were allowed to opt out of the MMF we chose as a replacement. Upon opt out, Legacy Clients were given the option to remain invested in the revenue-sharing MMF and, as a result, consented to the revenue sharing arrangement. That being said, **we encourage all investors to choose MMFs that do not share revenue** and will continue to encourage Legacy Clients to move away from revenue-sharing MMFs. However, because Legacy Clients were given the right to opt out, they could be invested in MMFs that are not available to all investors. Moreover, it is important that all of our clients understand that USA Financial will continue to receive revenue on the revenue-sharing Choice Plus MMFs until all Legacy Clients transfer assets away to our preferred MMFs. The revenue share is minimal; however, the mere existence of this revenue is a conflict of interest and an incentive to keep assets invested in the revenue-sharing MMFs. We will not recommend sweep-eligible money market funds to new investors.

Paycheck Protection Program

USA Financial Securities' parent company, USA Financial Corporation, applied for and received a business support loan as part of the government's Paycheck Protection Program ("PPP"), implemented in response to the COVID-19 crisis. The PPP loan was designed to help businesses keep employees on payroll amid the turmoil and uncertainty created by COVID-19. Because of the significant turmoil experienced in the financial services industry and the uncertainty regarding the length of time companies could be impacted by stay-at-home orders, remote arrangements, and barriers to face-to-face client interactions, USA Financial felt it was prudent to apply for the loan. The loan application process required USA Financial to submit a significant amount of financial information regarding our business operations to the Small Business Association ("SBA"). After reviewing our application, the SBA approved a loan for \$1.3 million.

The PPP is a federally supported loan wherein the proceeds are to be used to pay certain expenses such as payroll, rent, mortgage interest, or utilities. If the proceeds are properly used within required timeframes and meet the program requirements, the loan can be forgiven partially or in full based on PPP calculations. USA Financial is using these proceeds in accordance with the PPP program. USA Financial's business interests extend beyond investment advisory services and a portion of the proceeds are focused on non-RIA employees and other qualifying expenses within the PPP program.

Additionally, our investment adviser representatives are independent contractors and, as such, are responsible for their own businesses, including expenses and overhead. Each investment adviser representative can apply for PPP loans, as well, as small business owners.

ITEM 15: CUSTODY

This brochure covers USA Financial Securities' financial planning services and advisory platform services. Financial planning services are acquired by paying a fee – either up front, periodically, or on a project-by-project basis – therefore, no account is established. As such, you will not receive statements.

For fee-based advisory accounts, USA Financial Securities' primary custodial relationship is with Pershing. Our secondary custodial relationship is with TD Ameritrade. Clients must select USA Financial Securities as their broker-dealer and most clients must use Pershing as their custodian. Our relationship with TD Ameritrade is limited to specific financial advisers who had a preexisting relationship with TD Ameritrade.

In all instances, you will receive account statements directly from our custodians. USA Financial Securities does not have custody of client funds or securities – all client funds and securities are held by our custodians. When you receive your statement, it is important to review it carefully. If you have questions, or you find material discrepancies, please call USA Financial Securities at (888) 407-8198 and we will assist you.

ITEM 16: INVESTMENT DISCRETION

Our advisory program offers two account variations: non-discretionary and discretionary. Non-discretionary accounts restrict trading access to you and you alone. Discretionary accounts allow your investment adviser representative to exercise investment discretion. Investment discretion grants your investment adviser the ability to determine which securities should be purchased or sold within your account. Our investment adviser representatives' discretion is limited. It only extends to buying and selling securities within your account – your investment adviser representative cannot liquidate the account, transfer assets, or engage in any other non-trading activity.

USA Financial Securities' investment adviser representatives do not automatically assume discretionary authority over your account. You must grant permission to engage in discretionary trading by signing the power-of-attorney documents found in

our advisory agreement. You must sign this agreement and affirmatively grant your investment adviser representative limited discretion over your account. If you do not grant your investment adviser discretionary authority, your account will be established as a non-discretionary account.

Additionally, please note that because fees are pulled from the cash portion of your account, if a situation arises where fees are owed to USA Financial Securities or the custodian and your account does not have enough cash to cover the fees, USA Financial Securities will place trades in your account in order to free up cash.

ITEM 17: VOTING CLIENT SECURITIES

USA Financial Securities will not be responsible for responding to proxies that are solicited with respect to annual or special meetings of shareholders of securities held in your account. Proxy solicitation materials will be forwarded to you for response and voting.

Please also note that USA Financial Securities will not be obligated to take action or render legal advice with respect to securities or other investments that become the subject of legal notices or proceedings, including bankruptcies.

ITEM 18: FINANCIAL INFORMATION

Because USA Financial Securities has discretionary authority over client accounts, we are required to disclose, to you, whether any financial conditions exist that would be likely to impair our ability to meet contractual commitments. We are pleased to report that no such financial issues or conditions exist at this time.

PRIVACY POLICY

We are committed to safeguarding your confidential information because mutual trust is essential to a successful relationship. Your personal privacy is extremely important to you. To that end, below is our policy for handling your personal information. We welcome any questions or concerns you may have regarding your personal privacy.

Collected Information

We collect non-public information from you, our client, to assist us in giving you appropriate investment advice and in managing your investments. "Nonpublic personal information" is nonpublic information about you that we obtain in connection with providing a financial product or service to you for personal, family, or household purposes. It does not include information available from government records, widely distributed media, or government mandated disclosures. The categories of nonpublic information that we collect from you depends on the scope of your engagement. We collect nonpublic personal information about you from the following potential sources:

- Information received from you on applications or other various forms, such as your name, address, social security number, telephone number, assets, income, taxes, medical and health information to the extent that it is needed to determine suitability.
- Information about your transactions with us, our affiliates, custodians, or others, such as your account balance, investment cost, investment distributions, investment gain or loss, payment history, parties to transactions, account usage, and insurance policy coverage and premiums.

Third Parties With Whom We May Share Information

We do not disclose non-public, personal information about our clients or former clients to anyone else except as otherwise permitted or required by law. For example, we are permitted by law to share information about you with:

- Our registered representatives and their employees, if they introduced you to our firm, and our internal employees.
- Companies that may assist us in processing your transactions and servicing your account, such as mutual fund companies, insurance companies, our clearing firms, and any necessary third parties utilized by these entities.
- An accountant, tax preparer, or lawyer who is representing you.
- Federal and state regulators who regulate our firm.

We do not provide your personally identifiable information to direct marketers or independent solicitors (for other companies) for any purpose.

Disclosure of Information About Former Customers

While the securities industry considers you clients of USA Financial Securities, we understand that a relationship exists between you and your financial adviser as a result of many meetings and personal, financial conversations. Accordingly, when and if your representative leaves USA Financial Securities, we permit him or her to take your account information to his or her new broker-dealer in order to continue servicing your account. However, if you **do not** want us to allow your representative to take your personal, non-public information, **you may** contact us at **(888) 407-8198** and **opt-out of this provision**. If you have any questions regarding this provision, you may also contact us at the number above.

If you decide to close your account(s), we will continue to adhere to the privacy practices described in this policy, once you become a former client. You become a former client when your Client Services Agreement is terminated. We will maintain personally identifiable information about you during the time you are a client, and for any time thereafter that we are required to maintain the records by federal and state securities laws. After this required period of record retention, all of your information will be destroyed.

Our Security Policies and Procedures

We take reasonable steps to assure the security of client information. We restrict access to nonpublic, personal information about you to those employees who have a business or professional reason for knowing, as permitted by law. We maintain an office and computer environment reasonable designed to help ensure that your information is not placed at unreasonable risk of disclosure or theft. We have designed reasonable physical, electronic, and procedural safeguards to help protect your nonpublic, personal information.

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Member FINRA / SIPC • Registered Investment Advisor

Appendix 1

Wrap Fee Disclosure Brochure

This brochure provides important information about the qualifications and business practices of USA Financial Securities Corporation. If you have questions about the contents of this brochure, please contact our compliance department at (888)407-8198. The information contained in this document has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or any state securities authority. This brochure was last revised on March 31, 2023.

Additional information about USA Financial Securities is also available on the SEC's website at www.adviserinfo.sec.gov.

Please consider carefully before becoming a client. USA Financial Securities is an SEC registered adviser, SEC File No. 801-68276. SEC registration does not imply a certain level of skill or training.

ITEM 2: MATERIAL CHANGES

USA Financial Securities' last brochure update was April 8, 2022. Since then, we have updated this brochure to disclose that USA Financial has for all intents and purposes discontinued its participation in Pershing's cash sweep program and to inform you about a disciplinary action we received as part of our participation in this program.

As referenced in previous updates, USA Financial has discontinued its participation in Pershing's cash-sweep program. Beginning in 2019, the Securities and Exchange Commission's ("SEC") Enforcement Division began a national "sweep" investigation with respect to various types of revenue-sharing arrangements in the securities industry, including commonly used "sweep" programs for clients' short-term cash management. USA Financial Securities Corporation's ("USA Financial") clearing/carrying firm, Pershing, offers these arrangements to investors through our firm. To facilitate transfers or funds awaiting investment, many clients elect to participate in Pershing's "Choice Plus" cash sweep program and designate a money market fund available on Pershing's platform. Consequently, we were included in the SEC's "sweep - sweep". To resolve the Commission's examination, we agreed to a settlement, the details of which can be found in Item 9 – Disciplinary Actions and on Part I of our ADV (www.iapd.com).

Please read the remainder of this appendix as it contains other important information related to our business. Also, you can find our Form CRS in this document or on our website at <https://www.usafinancialsecurities.com/reg-bi/>. The Form CRS is a relationship summary that provides simplified disclosures and information related to how you can engage with our firm and what conflicts or disclosures you should be aware of when working with us. The website contains the expanded disclosure information that could not fit within Form CRS's page- limit confines.

You may request a copy of our Brochure, including Form CRS, by contacting the compliance department at (888)407-8198. The ADV Brochure can also be found on our website: <https://www.usafinancialsecurities.com/adv>.

Additional information about our firm is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any individuals affiliated with us who are registered, or are required to be registered, as investment adviser representatives of the firm.

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ITEM 4: SERVICES, FEES AND COMPENSATION

Services

The primary purpose of this Appendix is to provide detailed information regarding our firm's wrap-fee programs. We offer two: one at Pershing and one at TD Ameritrade. A wrap-fee program bundles various services together and charges an all-inclusive fee, named a "wrap fee" because it wraps around all of the services rather than charging a separate fee for each service. USA Financial Securities receives a portion of the wrap fee, as does your investment adviser representative.

Because wrap-fee accounts are charged a monthly fee, these accounts are typically best suited for investors who anticipate engaging in moderate to high levels of investment activity within their account. Infrequent trading is not supported by this fee structure, and clients with very little trading activity or account management are often better served in a traditional commission-based brokerage account.

Fees and Compensation

Clients participating in USA Financial Securities' wrap-fee platforms will be charged a maximum fee of 2.7% annually. Fees may be negotiated between you and your investment adviser representative, provided that the negotiated fee does not exceed 2.7%. USA Financial Securities receives a portion of the fee, as does your investment adviser representative.

TD Ameritrade and Pershing will bill you for your account management fees no less than quarterly and will deduct the fees directly from your account. TD Ameritrade and Pershing are also responsible for sending you account statements. Your statements will show your account value and the fee charged. Statements are sent no less than quarterly. You may object to the fee deduction by notifying us at the address or telephone number shown on each billing invoice or by notifying your custodian. Please keep in mind that in addition to the quarterly paper statements you receive, you also have 24-hour online access to your account and statements. Please review your account statements carefully and contact us if you have questions.

USA Financial Securities' investment adviser representatives will manage your portfolio based on your stated needs, objectives, and risk tolerance. Your investment adviser representative receives between 70 and 100 percent of the management fee, which may be an incentive to recommend this wrap-fee program over other programs or services. However, USA Financial Securities monitors trading frequency, and if we do not believe your account activity warrants the wrap-fee, we will request that you move your account to either a transaction-based pricing account or a commission-based brokerage account.

Because wrap-fee programs charge a single fee for a range of services that could potentially be obtained separately, it is possible that our wrap fee may be more or less than the cumulative fees you would be charged if you obtained each service separately.

Other Manager Costs

In addition to the managers specifically referenced within this brochure, USA Financial Securities works with a number of third-party money managers. If you choose to utilize the services of the third-party money manager, you will complete that money manager's new account paperwork (in addition to USA Financial Securities') and each money manager is responsible for opening the account and managing the assets contained within the account. Please note that each manager will have its own fee schedule and will adhere to its preferred billing frequency and method (e.g., monthly in arrears or quarterly in advanced). Please review the third-party money manager's ADV carefully for important information related to their business and methods of operation.

As referenced elsewhere in this brochure, USA Financial Securities' billing frequency and method is monthly in arrears. However, some clients may transfer to us as part of a different billing frequency and methodology. In those instances, where USA Financial Securities has the power and ability to alter the billing arrangement, we will convert clients from their existing fee schedule to monthly in arrears. As the conversion process unfolds, some clients may be on different billing frequencies and

methodologies than other clients for a period of time. Any clients who join USA Financial Securities on an in-advance billing cycle but leave prior to completion of the conversion process and prior to the end of the billing cycle are entitled to a refund for the number of days between account termination and the end of the billing period. Please note, however, that this scenario is rare and there are only a limited number of accounts that require a conversion.

USA Financial Formulas Subadvisor

USA Financial Formulas is an affiliate of USA Financial Securities. Both companies are owned by USA Financial Corporation and are, therefore, affiliates by common ownership.

USA Financial Securities permits USA Financial Formulas to serve as a sub-adviser on our advisory accounts at our clients' discretion. You are not obligated to use USA Financial Formulas as a manager, it is simply an option available for those clients who would like active management and access to USA Financial Formulas strategies through USA Financial Securities.

Accounts using USA Financial Formulas as the subadvisor will receive USA Financial Formulas' disclosure brochure (if you choose this option, please review USA Financial Formulas' brochure carefully; it describes USA Financial Formulas' investment methodologies in detail and provides important information regarding the firm). If you choose to use USA Financial Formulas as a subadvisor, you will be subject to the fee schedule referenced in [Item 5 – Fees and Compensation](#), in our standard Disclosure Brochure.

USA Financial Formulas' fees are deducted by the account custodians, TCA or TD Ameritrade.

USA Financial Exchange

The overall fee you pay for maintaining an account with USA Financial Exchange has four components, identified in more detail, below: the Platform Fee, Strategy Fee, EAS Annual Fee, and Advisory Fee. These four components combined equal the total fee you will pay.

PLATFORM FEE

USA Financial Exchange charges you a Platform Fee based on the assets in your account. The Platform Fee Schedule can be found in [Item 5 – Fees and Compensation](#) of our standard Disclosure Brochure

STRATEGY FEE

In addition to the Platform Fee, subadvisers (the third-party money managers who manage your assets) on our platform will also charge a fee ("Strategy Fee"). The Strategy Fee you pay depends on which subadvisor you select, but the fees typically range from 0.35% (35bps) to 1% (100bps). Please see USA Financial Exchange's *Client Profile* form in the new account application packet for a full listing of all specific fees and allocations.

USA Financial Securities serves as a sub-adviser on the USA Financial Exchange platform. USA Financial Securities affords the opportunity to investment adviser representatives to offer customized financial strategies to clients. These financial strategies have varying fee structures, determined by the representative. This poses a conflict of interest for the representative to offer strategies that they manage, as they would retain any manager fees associated with the strategy as opposed to fees being paid to a third party asset manager.

USA Financial generally does not participate in the Strategy Fee. However, we do have subadvisers who provide USA Financial Exchange with a share of their revenue based on breakpoints – this does not increase the fee you are charged. The subadvisor simply provides USA Financial Exchange with a portion of the fee it collects.

EAS ANNUAL FEE

EAS also charges a \$75 annual per account fee ("EAS Annual Fee"). This fee is assessed by EAS – USA Financial Exchange does not receive a portion of this fee.

ADVISORY FEE

Additionally, each RIA/financial adviser will charge an advisory fee (“Advisory Fee”) for the services provided to you. The Advisory Fee is assessed by your financial adviser’s RIA and your financial adviser receives a portion of it. The Advisory Fee covers serviced provided to you by your financial adviser: investment advice, account monitoring, etc. USA Financial Exchange does not receive any portion of the Advisory Fee assessed by your financial adviser. The Advisory Fee and all other relevant fees and charges should have been disclosed to you by – your financial adviser during the new-client and/or new-account process and incorporated into a written advisory agreement which you would have signed. You should also refer to your financial adviser’s RIA’s Form ADV 2A and the adviser’s fee schedule. Fees paid to your financial adviser in the form of an Advisory Fee are in addition to the fees paid to USA Financial Exchange.

The maximum fee permitted on USA Financial Exchange’s platform is 2.7% plus the \$75 annual custodian fee.

Other Advisers and Money Managers

For certain client assets and in very limited instances, USA Financial Securities outsources a portion of the investment management to United Capital Financial Advisers, LLC (“United Capital”), an investment adviser not affiliated with USA Financial Securities who serves as sub-adviser (“Sub-Manager”). This relationship is discussed fully in Item 9 – Additional Information – Other Financial Industry Activities, below.

United Capital negotiates its fee schedule on a contract-by-contract basis and deducts fees directly from client accounts.

ITEM 5: ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

Your account value must be at least \$15,000 to participate in USA Financial’s wrap programs. Exceptions may be made, solely at the Firm’s discretion, based on such factors as prior or anticipated investment activity. USA Financial Securities monitors account values and may remove billing on your account if the account cannot maintain values exceeding \$15,000. USA Financial Securities may decide to permit accounts lower than the \$15,000 threshold to remain on the platform in our sole discretion.

Our wrap-fee programs service individual, corporate, and trust accounts. As discussed above, because asset-based pricing charges a fee monthly, regardless of whether you make trades in your account during a given quarter, the program is designed to accommodate accounts with moderate to high trading frequency. Therefore, as referenced above, USA Financial Securities monitors trading frequency, and if we do not believe your account activity warrants the wrap-fee, we will request that you move your account.

USA Financial Securities maintains affiliations with other money managers/investment advisers. Please see Item 9, Additional Information – Other Financial Industry Activities for a description of these arrangements. These money managers may impose account minimums or other thresholds that differ from USA Financial Securities’ own minimums or thresholds. It is important to understand that industry wide, if account minimums or other imposed thresholds are not maintained, investment advisers may terminate an account.

USA Financial Formulas Account Requirements

USA Financial Formulas requires a minimum account size of \$50,000 for those clients utilizing USA Financial Formulas as a subadviser. Please note that clients investing directly with USA Financial Formulas only have a \$35,000 minimum account requirement. Exceptions to this requirement may be made, solely in our discretion, based on a variety of factors, including but not limited to, prior or anticipated investment activity and family or employment relationships. We may also, in our discretion, aggregate related accounts in the same household in determining whether the account minimum has been met. Minimums may be negotiated depending on your personal circumstances. Furthermore, USA Financial Formulas also requires that clients invest at least \$15,000 in each model.

ITEM 6: PORTFOLIO MANAGER SELECTION AND EVALUATION

As referenced throughout this brochure, USA Financial Securities maintains relationships with a handful of managers, including two of our affiliates. For those clients not utilizing a subadviser or other manager, your investment adviser representative manages your accounts based on your investment objectives and financial holdings.

Advisory Business

USA Financial Securities is an investment adviser registered with the United States Securities and Exchange Commission ("SEC"). Our firm is also registered as a broker-dealer. USA Financial Securities was founded in 1998 and is a wholly owned subsidiary of USA Financial Corporation. Michael Walters and Brent Enders own USA Financial Corporation.

Our firm utilizes investment adviser representatives. Our representatives frequently work with individuals who are either planning for retirement or are currently retired, however, neither our firm nor our representatives specialize in any specific area or type of investment advice. As of March 30, 2020, our firm was managing approximately \$181 million in assets – with \$81 million being managed on a discretionary basis.

Financial Planning Services

USA Financial Securities' representatives provide financial planning services. Financial planners use a comprehensive planning method. They help clients set and achieve long-term financial goals through investments, tax planning, asset allocation reviews, risk management analyses, retirement planning and estate planning. USA Financial Securities collects important financial information from you, and we use that information, along with any additional information you communicated to your financial professional, to develop a plan designed to meet your unique goals and objectives.

Financial planning fees may be charged in addition to commissions or asset under management fees. You are not obligated to follow USA Financial Securities' recommendations or to pursue the recommendations through USA Financial Securities. As the client, you have control over your investment decisions – you may place restrictions on investing in certain types of securities or engaging in various investment activities. It is important that you communicate your investment goals and objectives, including any restrictions, to your investment adviser representative. An open and honest dialogue between you and your financial professional will help facilitate a successful working relationship.

Investment Advice

USA Financial Securities' investment adviser representatives also offer advice regarding a wide variety of investment products, including, but not limited to, the following:

- Unit investment trusts;
- Annuities (fixed, fixed index, and variable);
- Mutual funds and exchange-traded funds;
- Stocks and bonds;
- Brokerage accounts; and,
- Certificates of deposit.

Our investment advice is designed to help you achieve your financial goals and objectives, as communicated by you.

Performance-Based Fees and Side-By-Side Management

USA Financial Securities does not charge performance-based fees. Our representatives may charge you a comprehensive financial planning fee and also receive an asset-based fee.

Side-by-side management occurs when an investment adviser manages both performance-based fee accounts and non-performance-based fee accounts at the same time. Side-by-side management can result in conflicts of interest because there is an incentive to direct clients to performance-based fee accounts because the firm will, most likely, receive more fees. However, because USA Financial Securities does not charge performance fees, we do not engage in side-by-side management and have no conflicts of interest relevant to side-by-side management.

Methods of Analysis, Investment Strategies, and Risk of Loss

Methods of Analysis and Investment Strategies

USA Financial Securities' investment adviser representatives may utilize many different methods of analysis when developing your specific financial plan. For example, your investment adviser may review past investments that you made and compare those investments with your current objectives to determine whether those investments are still a good fit, or he or she may use software to design a plan that supplements your current plan.

Your investment goals are always considered when analyzing an investment, and regardless of which analysis method your investment adviser representative uses, any analysis is conducted based on your unique and specific investment objectives. Your investment adviser representative will review your investment objectives and help you design an investment strategy or make investment decisions that will attempt to further those objectives.

Risk of Loss

All investments bear different types and degrees of risk. Our wrap-fee programs are used for making securities investments. Investing in securities involves risk of loss, which you need to be prepared to bear.

While our investment advice is designed to provide appropriate investment diversification, some investments have significantly greater risks than others. Obtaining higher rates of return on investments entails accepting higher levels of risk. Our firm's investment advice seeks to balance risks and rewards to achieve investment objectives. It is important that you ask your investment adviser representative questions and that you request clarification if you do not understand the risks associated with a particular investment or strategy.

We strive to render our best judgment on behalf of our clients. Still, we cannot guarantee that your investments will be profitable or that there will be no losses in your investment portfolio. It is important for you to understand that while past performance is an important consideration with respect to any investment or investment adviser but is not a reliable predictor of future performance. We continuously strive to provide outstanding long-term investment performance, but many economic and market variables beyond our control can affect the performance of an investment portfolio.

Voting Client Securities

USA Financial Securities will not be responsible for responding to proxies that are solicited with respect to annual or special meetings of shareholders of securities held in your account. Proxy solicitation materials will be forwarded to you for response and voting.

Please also note that USA Financial Securities will not be obligated to act or render any advice involving legal action on behalf of its clients with respect to securities or other investments held in an account, or the issuers thereof, which become the subject of legal notices or proceedings, including bankruptcies.

ITEM 7: CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

USA Financial Securities does not utilize traditional money managers. As stated above, your investment adviser representative manages your account based on your investment goals and objectives. Your investment adviser representative has access to the information you provide to USA Financial Securities, as well as any additional information you choose to share.

ITEM 8: CLIENT CONTACT WITH PORTFOLIO MANAGERS

Because your portfolio manager is your representative, there are no restrictions on your ability to speak or meet with your investment adviser representative, other than ordinary scheduling conflicts.

ITEM 9: ADDITIONAL INFORMATION

Disciplinary Information

Beginning in 2019, the Securities and Exchange Commission's ("SEC") Enforcement Division began a national "sweep" investigation with respect to various types of revenue-sharing arrangements in the securities industry, including commonly used "sweep" programs for clients' short-term cash management. USA Financial Securities Corporation's ("USA Financial") clearing/carrying firm, Pershing, offers these arrangements to investors through our firm. To facilitate transfers or funds awaiting investment, many clients elect to participate in Pershing's "Choice Plus" cash sweep program and designate a money market fund available on Pershing's platform. Consequently, we were included in the SEC's "sweep - sweep". On August 3, 2021, USA Financial agreed to a settlement with the Commission in order to resolve the Commission's inquiry into our participation in Pershing's cash sweep program. A copy of that order is attached for your review.

During the relevant period of the SEC's investigation, 2015—2020, USA Financial participated in Pershing's Choice Plus program. The Choice Plus money market funds provided revenue sharing basis points to firms based on average fund balances. USA Financial's options, at the time spelled out in Pershing's schedule of available money market funds, were to participate in Choice Plus or utilize non-Choice Plus money market funds. By utilizing the Choice Plus program, participating investors did not incur brokerage fees or ticket charges on money market fund sweep deposits or later redemptions — critical cost-saving features for short-term cash management holdings. Moreover, we compared historical performance among the available MMF options, and Pershing informed us that revenue sharing did not affect these MMFs' investment returns to clients. So, we chose to participate in the program because we believed it was more advantageous to you based upon then-available information provided by Pershing.

In preparation of our response to the SEC staff, USA Financial spoke with our designated Pershing representatives on multiple occasions. Throughout our early 2020 communications with Pershing—then even knowing the reason and seriousness of the SEC's investigation—Pershing still never advised us that there was, in fact, an alternative MMF group available with the same client-favored features but without a revenue sharing component. Finally, on October 1, 2020, USA Financial was connected to Pershing's legal department. In that conversation, it was revealed to us that Pershing now maintains an additional MMF group, so-called "Group 0", in Pershing's Choice Plus program. As we now understand it, this "Group 0" provides all of the client benefits of the Choice Plus MMFs—no ticket charges, no transaction charges—but Pershing does not pay revenue sharing on "Group 0" funds. Pershing listed no "Group 0" option in its 2012 or 2016 clearing agreement schedules. Indeed, even Pershing's new designation—"Group 0"—evidences that this alternative was not then in existence.

Pershing did not communicate the existence of any "Group 0" funds to USA Financial at any time prior to October 1, 2020—which came from a conversation USA Financial requested with Pershing's legal department, not from Pershing's business or operations teams. "Group 0" was not announced by Pershing and it was certainly not available to USA Financial when our Choice Plus MMF selections were made in 2012 and 2016. In short, until Pershing's legal department's revelation, we believed our "default" MMF selections were the best available for clients seeking short-term cash management solutions at the lowest available cost—i.e., without transaction costs or ticket charges.

USA Financial did not inform our advisers that Choice Plus provided our firm with revenue share nor did we promote or incentivize your financial adviser to recommend the Choice Plus MMFs over Pershing's other available MMFs—the goal being that each recommendation was made on a neutral, case-by-case basis. USA Financial received, in the aggregate, an extraordinarily small amount of revenue sharing from Pershing over the entire five-year Relevant Period, illustrating the lack of significance our firm placed on Pershing's Choice Plus program. While some industry firms received 25% of their overall revenue from cash-sweep revenue, USA Financial's revenue share accounted for only 0.22% of our firm's overall revenue.

Nevertheless, our participation in the program constituted a conflict and we are taking corrective action as a result. We are in the process of moving all clients away from MMFs that provide revenue share – it was never our intent to make money off this program and therefore, we have no interest in maintaining this type of arrangement as part of our business model. If this applies to you, you will have received a letter regarding the reallocation. Additionally, we have deposited a portion of the revenue sharing we received from Pershing in a "fair fund" account for the benefit of all affected clients. Affected clients will receive a distribution from the Fair Fund in the coming months. Finally, we paid a fine which will be deposited into the U.S. Treasury.

Other Financial Industry Activities and Affiliations

Other Financial Industry Activities

As referenced elsewhere in this brochure, USA Financial Securities also conducts business as a broker-dealer. As a broker-dealer we are regulated by the SEC, FINRA, and state securities regulators. Our SEC file number is 8-52342, and our CRD number is 103857.

Most of our Firm's investment adviser representatives are also registered representatives of USA Financial Securities. The amount of time each representative spends on securities brokerage, investment adviser, insurance and other activities varies from representative to representative. You should always feel free to ask your adviser representative about their service activities.

Other Financial Industry Affiliations

USA Financial Securities is a wholly owned subsidiary of USA Financial Corporation. USA Financial Corporation also owns five other public-facing companies: USA Financial Exchange Corporation, USA Financial Insurance Services Corporation, USA Financial Formulas Corporation, USA Financial Marketing Corporation, and USA Financial Protocol. USA Financial Securities is an SEC-registered investment adviser and broker-dealer. USA Financial Insurance Services Corporation wholesales fixed insurance products to independent insurance agents. USA Financial Formulas is an SEC-registered investment adviser. USA Financial Marketing develops and distributes marketing and technology solutions for financial professionals. USA Financial Protocol provides business consulting and branding services to financial advisers.

Michael Walters is the chief executive officer of USA Financial and all subsidiaries and Brent Enders is the president.

USA Financial Securities obtains many of its representatives through its affiliates. Advisers who connect with USA Financial through one subsidiary typically elect to utilize USA Financial Securities as their broker-dealer/registered investment adviser. Additionally, USA Financial Securities maintains expense-sharing agreements with its affiliates whereby certain administrative expenses are shared by between two entities. These expenses include, but are not limited to, equipment rental, telephone services, health insurance, cleaning services and a security system. These arrangements are essential to USA Financial Securities' ability to provide services to its clients.

USA Financial Formulas and USA Financial Exchange

The two most significant affiliate relationships for purposes of our advisory business occur between USA Financial Formulas and USA Financial Exchange. USA Financial Securities' relationship with USA Financial Formulas and USA Financial Exchange are discussed above, as well as in our Firm Brochure. Please also review USA Financial Formulas' and USA Financial Exchange's Disclosure Brochures for more information.

Because USA Financial Formulas and USA Financial Exchange are affiliated entities, this creates a conflict of interest that you should understand and consider prior to investing. Although USA Financial Formulas and USA Financial Exchange are separate entities, they are affiliates of USA Financial Securities because each entity is owned by USA Financial Corporation, which is owned by Michael D. Walters and Brent D. Enders. As a result, if you invest in USA Financial Formulas or USA Financial Exchange compared to an unaffiliated entity, we make more money overall which creates a conflict of interest and an incentive to recommend these entities to you over other alternatives.

Other Affiliations

For certain client assets and in very limited instances, USA Financial Securities outsources a portion of the investment management to United Capital Financial Advisers, LLC ("United Capital"), an investment adviser not affiliated with USA Financial Securities who serves as sub-adviser ("Sub-Manager"). Additional details regarding this relationship can be found in our Disclosure Brochure.

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

Code of Ethics

USA Financial Securities conducts its advisory business professionally and ethically, adhering at all times to relevant rules, laws, and guidelines. Accordingly, pursuant to Rule 204A-1 of the Investment Advisers Act of 1940, we have adopted a *Code of Ethics*. Copies will be provided upon request.

Participation or Interest in Client Transactions

USA Financial Securities or its representatives may buy or sell securities for its or their own account(s) ("Proprietary Account(s)"), securities that we recommend to our clients, including clients that are related persons. Neither our firm nor our related persons are permitted to enter into or have an interest in an investment transaction that would create a conflict between our interests and your interests without fully disclosing the conflict to you. Neither our firm nor our related persons are permitted to benefit, directly or indirectly, from transactions made in your account. Proprietary Accounts may benefit on the same basis and to the same extent as clients' accounts when each holds the same investment. We do not allow "cross transactions" between clients or between clients and Proprietary Accounts.

Personal Trading

Generally, investments may only be purchased for proprietary accounts simultaneously or after client purchases. Investments may only be sold simultaneously or after client sell-orders are completed. Exceptions may be made for personal securities trades that we believe do not involve potential conflicts of interest, such as open-ended mutual funds, U.S. Treasury securities, and small amounts of stock or closed-end funds that have very large market capitalization and/or very high average trading volume.

Review of Accounts

USA Financial Securities reviews every client account prior to the account being established. Before USA Financial Securities will execute an investment advisory agreement with you, we require your investment adviser representative to submit, along with the investment advisory agreement, a written document evidencing your financial plan. We use the information you provided on your Client Profile, along with the written financial plan, to determine the suitability of your investment adviser's recommendations.

After your investment advisory agreement is established, USA Financial Securities will send you a written report regarding your account. The report will document the basic information you provided on your client profile – such as, net worth, annual income, and investment objective. USA Financial Securities uses this information to perform its initial and ongoing suitability reviews, therefore, it is important to review this report and if you see any information that does not appear to be accurate, contact USA Financial Securities immediately.

Furthermore, as stated above, because wrap-fee accounts are charged a monthly fee, these accounts are typically best suited for investors who anticipate engaging in moderate to high levels of investment activity within their account. Infrequent trading is not supported by the fee structure, and clients with very little trading activity or account management are better served in a traditional commission-based brokerage account. Therefore, USA Financial Securities monitors your account activity, to determine whether a wrap-fee account is the best option, or whether you would be better suited in a traditional brokerage account. If we review the account and determine that your trading activity does not warrant a wrap-fee account, we will contact your investment adviser representative and request that you switch your account.

Order Aggregation

Through our custodians, USA Financial Securities has the ability to aggregate client orders when an investment adviser representative is executing trades in the same securities across multiple client accounts. This feature is only available to those investment adviser representatives who have been granted discretionary authority and who are utilizing block trading (block trading provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts). Where orders have been aggregated, they will be allocated out to clients on a pro-rata basis. Clients of investment adviser representatives not authorized to utilize discretionary trading and/or clients of investment adviser representatives not utilizing block trading may pay higher execution costs.

Trade Errors

USA Financial Securities has adopted trading policies and procedures, as may be amended from time to time, to address various issues related to trading, including, but not limited to, trade errors. Trade errors are unintentional mistakes, such as purchasing (or selling) an incorrect amount of a security or entering the wrong trading symbol. USA Financial Securities' trade desk monitors for trade errors and is responsible for ensuring that any trade errors are reasonably corrected. Additionally, investment adviser representatives are responsible for reporting trade errors to USA Financial Securities' trade desk immediately upon realizing an error occurred. Investment adviser representatives are not permitted to correct errors themselves.

Client Referrals and Other Compensation

Client Referrals

USA Financial Securities does not compensate any person or company, directly or indirectly, for client referrals.

Other Compensation

Because USA Financial Securities is a registered broker-dealer, the firm may receive commissions on any products that you purchase through the broker-dealer. This may or may not create a conflict of interest. Furthermore, commissions paid to USA Financial Securities may be higher or lower than those obtainable at other broker-dealers.

Many of USA Financial Securities' investment adviser representatives are also registered representatives of our broker-dealer. These representatives, may receive additional compensation and/or commissions from the purchase and sale of stocks, mutual funds, variable annuities, other investment and insurance products through the broker-dealer. This compensation includes 12b-1 fees.

12b1 Fee Offset Policy

USA Financial Securities is dually registered as both an investment adviser and a broker-dealer. As a broker-dealer we receive 12b1 fees (sometimes called "trail commissions") from the sale of certain share classes of certain mutual funds. As an investment adviser, we strive to provide objective investment advice when we make recommendations, including the selection of mutual funds and share classes. In order to mitigate the conflict of interests, we have adopted a "fee off-set" policy ("12b1 Fee Off-set Policy"). For additional, more detailed information regarding our 12b1 Fee Off-set Policy, please see Item 5 – Fees and Compensation in our Disclosure Brochure.

Additionally, in order to provide the best service possible, USA Financial Securities offers clients the opportunity to invest with outside, third-party money managers. These arrangements generally work one of two ways. If USA Financial Securities refers you to a third-party money manager, our firm is considered to be the solicitor, and the third-party money manager is the registered investment adviser. However, some third-party money managers simply provide investment platforms for USA Financial Securities to utilize, and while the third-party money manager executes trades and directs the management of your assets, USA Financial Securities retains its investment adviser status. Under both of these arrangements, USA Financial Securities receives a fee from the third-party. Our fee is a portion of the third-party adviser's fee that you paid, as the client.

Finally, it is standard industry practice for registered representatives of broker-dealers to have marketing agreements with product suppliers. These suppliers may include mutual fund companies, variable annuity companies, unit investment trust companies or real estate investment trusts. These marketing agreements provide for payment of marketing expenses to the selling broker-dealer or its registered representative in addition to commissions. These fees are not normally a direct expense of a particular product but are paid by the sponsoring company to make up for costs incurred by the broker-dealer or its registered representative for marketing the product. USA Financial Securities employs investment adviser representatives, who in their capacity as registered representatives of a broker-dealer, may receive marketing allowances through their broker-dealer with respect to recommended products.

Financial Information

Because USA Financial Securities has discretionary authority over client accounts, we are required to disclose, to you, whether any financial conditions exist that would be likely to impair our ability to meet contractual commitments. We are pleased to report that no such financial issues or conditions exist at this time.