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INVESTMENT ADVISER 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 14, 2012.

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.

MATERIAL CHANGES

USA Financial Securities' last brochure update was March 30, 2011. Since then we have not made any material changes to our business practices or the information contained in this brochure.

You may request a copy of our Brochure by contacting the compliance department at (888)407-8198.

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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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 Wealthnetic Corporation (“Wealthnetic”). Michael Walters, Gary Walters, and Brent Enders own Wealthnetic. 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 provides financial planning services, as well as a wrap-fee program, *USA Strategic Portfolio*. As of March 30, 2012, our firm was managing approximately \$70 million in our wrap-fee program.

Financial Planning Services

USA Financial Securities’ investment adviser 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, equity 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 stated financial goals and objectives.

In addition to the services mentioned above, our firm operates a wrap-fee program called *USA Strategic Portfolio*. 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. The *USA Strategic Portfolio* program provides clients with investment advisory, execution, clearing, and custodial services, through our clearing firm, Pershing. 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 the fee structure, and clients with very little trading activity or account management are better served in a traditional commission-based brokerage account.

USA Financial Securities does not manage any accounts other than those on our wrap-fee platform. The *USA Strategic Portfolio* platform supports two different account types: discretionary and non-discretionary. As of March 30, 2012, approximately \$42 million of our firm’s \$70 million in assets under management was managed on a discretionary basis. Important information related to the *USA Strategic Portfolio* program, including fee schedules, can be found in our separate Wrap-Fee Brochure.

Our representatives may charge you a comprehensive financial planning fee and also receive an asset-based fee for any dollars you invest in the *USA Strategic Portfolio* program.

FEES AND COMPENSATION

USA Financial Securities’ representatives charge fees for financial planning services. Fees are assessed as either an hourly fee, a flat fee, or a project-based fee. Hourly fees cannot exceed \$350/hour. Flat fees can range from \$100 up to \$20,000 depending on the complexity of the financial situation and the estimated hours required to complete the plan. Prior to paying any fees, you must sign USA Financial Securities’ investment advisory agreement. The fee is payable upon signing the agreement. USA Financial Securities’ representatives can request that you provide an initial deposit, but the initial deposit cannot exceed \$1200.

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 **does not apply** to asset under management fees or fees related to the *USA Strategic Portfolio* program, referenced in our wrap-fee brochure.

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.

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 in light of your unique financial situation, objectives, and goals. We require a minimum planning fee of \$100.

Our wrap-fee program, *USA Strategic Portfolio*, does require account values of at least \$15,000. Additional information regarding the *USA Strategic Portfolio* program, including account minimums, is provided in our separate, wrap-fee brochure.

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.

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 but 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.

DISCIPLINARY INFORMATION

Neither USA Financial Securities nor its owners, officers, or directors have ever been involved in a material, disciplinary action.

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.

The majority 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

As referenced in the section, Advisory Business, USA Financial Securities is a wholly-owned subsidiary of Wealthnetic Corporation. Wealthnetic also owns three other companies: USA Financial Distribution Corporation, Portformulas Investing Corporation, and Plug-N-Run Corporation. USA Financial Distribution wholesales fixed insurance products to independent insurance agents. Portformulas Investing is an SEC-registered investment adviser. Plug-N-Run develops and distributes marketing and technology solutions for financial professionals.

Michael Walters is the chief executive officer of USA Financial Distribution, Portformulas Investing, and Plug-N-Run and Brent Enders is the president of all three companies.

USA Financial Securities obtains many of its representatives through USA Financial Distribution. The company has a vast number of agents who may elect to utilize USA Financial Securities as their broker-dealer. Additionally, USA Financial Securities, USA Financial Distribution, and Portformulas Investing have an expense sharing agreement, whereby certain administrative expenses are shared by both parties. These expenses include equipment rental, telephone services, health insurance, cleaning services and a security system. This arrangement is essential to USA Financial Securities' ability to provide services to its clients.

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.

BROKERAGE PRACTICES

Directed Brokerage

USA Financial Securities is a dually-registered broker-dealer and investment adviser. Because we are registered as a broker-dealer, we will use our broker-dealer for executing transactions. Some investment advisers permit clients to direct brokerage transactions, meaning that the client can select which broker-dealer will execute their brokerage transactions. However, USA Financial Securities does not engage in this practice. We do not have arrangements with any other broker-dealers, nor do we anticipate entering into any brokerage arrangements with third-party broker-dealers.

Soft Dollar Arrangements

Soft dollars are arrangements whereby an investment adviser receives compensation other than hard dollars, such as research or other products or services, from a broker-dealer or third-party in connection with client securities transactions. USA Financial Securities does not receive “soft dollars” from any vendor or service provider (such as an insurance company or broker-dealer) in exchange for our placement of brokerage transactions.

Brokerage For Client Referrals

USA Financial Securities does not direct brokerage transactions based on client referrals received from another broker-dealer or third party. As mentioned above, USA Financial Securities does not permit directed brokerage arrangements. All brokerage transactions are conducted through USA Financial Securities’ own broker-dealer.

Our Firm does receive commissions on the sale of securities products, which includes insurance products classified as securities. Representatives of our Firm may also sell non-securities insurance products, which results in the representative receiving compensation in the form of a commission from the insurance company. Furthermore, our Firm permits representatives to engage in various outside business activities, such as tax planning, whereby the representative receives compensation.

Order Aggregation

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

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 the *USA Strategic Portfolio* platform, are provided in our Wrap Fee Brochure.

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 products, and insurance products through the broker-dealer. This compensation includes 12b-1 fees.

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 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.

CUSTODY

This brochure covers USA Financial Securities' financial planning 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.

If you invest in USA Financial Securities' wrap-fee program, you will receive account statements from our qualified custodian, Pershing. USA Financial Securities does not have custody of client funds or securities – all client funds and securities are held at our custodian, Pershing. When you received your statement, it is important to review it carefully. Please consult our Wrap Fee Brochure for additional details regarding our custody arrangements.

INVESTMENT DISCRETION

The *USA Strategic Portfolio* 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 *USA Strategic Portfolio* account. You must grant permission to engage in discretionary trading by signing the power-of-attorney documents found in our *USA Strategic Portfolio* 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.

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.

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 firm Pershing, 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 Practices

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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ACKNOWLEDGMENT OF RECEIPT

By signing below, I/we certify that I/we have received and read carefully this disclosure brochure and had the opportunity to ask such questions as may have occurred in reading and/or discussing the services provided and the costs of those service.

Signed: _____ Date: _____

Signed: _____ Date: _____