UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 7033 / October 30, 2026

ADMINISTRATIVE PROCEEDING
File No. 3-22780

In the Matter of **UNITED PLANNERS' FINANCIAL SERVICES OF AMERICA A LIMITED PARTNER** **Respondent.**	**ORDER INSTITUTING ADMINISTRATIVE AND CEASE-AND-DESIST PROCEEDINGS, PURSUANT TO SECTIONS 203(e) AND 203(k) OF THE INVESTMENT ADVISERS ACT OF 1940, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER**

I.

The Securities and Exchange Commission ("SEC or "Commission") deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 203(e) and 203(k) of the Investment Advisers Act of 1940 ("Advisers Act") against United Planners' Financial Services of America A Limited Partner ("Respondent" or "United Planners").

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the "Offer") which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting the findings herein, except as to the Commission's jurisdiction over it and the subject matter of these proceedings, which are admitted, Respondent consents to the entry of this Order Instituting Administrative and Cease-and-Desist Proceedings, Pursuant to Sections 203(e) and 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order ("Order"), as set forth below.

III.

On the basis of this Order and Respondent's Offer, the Commission finds[1] that:

Summary

1. These proceedings arise out of breaches of fiduciary duties and compliance failures by United Planners, a dually-registered investment adviser and broker-dealer, in connection with the sale of leveraged and inverse exchange traded funds ("ETFs"). From April 2020 through November 2023 (the "Relevant Period"), United Planners and Cary Edward Urich ("Urich"), an investment adviser representative at United Planners, invested advisory clients in five leveraged and/or inverse ETFs for extended periods of time and in significant concentrations, without having a reasonable basis to do so. These investments were not suitable for the clients based upon the specific investment objectives, risk tolerances, individual financial circumstances, and investing experience of the clients. United Planners and Urich also failed to adequately disclose that the leveraged and/or inverse ETFs would be used in a manner inconsistent with their recommended short-term holding period, or other pertinent risks of the products. As a result of this conduct, the clients—many of whom were retired and elderly—suffered substantial losses. United Planners also failed to implement policies and procedures reasonably designed to prevent violations of the Advisers Act.

Respondent

2. **United Planners' Financial Services of America A Limited Partner** is an Arizona limited partnership headquartered in Scottsdale, Arizona. United Planners has been registered with the Commission as a dually-registered investment adviser and broker-dealer since 2000. United Planners provides investment advisory services to individuals, pension and profit-sharing plans, charitable organizations, and corporations through its network of investment advisory representatives ("IARs") who operate their own independent offices. According to its Form ADV filed on June 18, 2026, United Planners reported regulatory assets under management of approximately $12.8 billion, held in 47,883 accounts across 30,369 clients.

Other Relevant Person

3. **Cary Edward Urich**, age 58, is a resident of Greer, South Carolina. Urich was an independent contractor for United Planners from September 2017 until December 2023, working as an IAR and in that position receiving compensation for providing investment advice to retail investors. Urich also worked as a registered representative for United Planners during that same

[1] The findings herein are made pursuant to Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

time period. The Commission filed a civil enforcement action against Urich for his role in the conduct described in this order in the United States District Court for the District of South Carolina.

Facts

4. During the Relevant Period, Urich invested 54 of his clients, representing nearly all of his investment advisory clients, (hereafter, the "Impacted Clients"), in five leveraged and/or inverse ETFs:

a. Four leveraged and inverse ETFs—SDS, DXD, TWM, and QID—each of which sought to deliver two times the inverse performance of, respectively, the S&P 500, Dow Jones Industrial Average, Russell 2000, and Nasdaq-100 indexes; and

b. One leveraged ETF—UVXY—which sought one and one-half times the daily performance of the S&P 500 VIX Short-Term Futures index.

5. The prospectuses of the four leveraged and inverse ETFs, which Urich reviewed before the Relevant Period, contained disclosures regarding risks related to the products. Those disclosures included the following or substantially similar language:

> **The return of the Fund for periods longer than a single day will be the result of its return for each day compounded over the period. The Fund's returns for periods longer than a single day will very likely differ in amount, and possibly even direction, from the Fund's stated multiple (-2X) times the return of the Fund's Index for the same period. For periods longer than a single day, the Fund will lose money if the Index's performance is flat and it is possible that the Fund will lose money even if the level of Index falls . . . . Investors in the Fund should actively manage and monitor their investments, as frequently as daily. An investor in the Fund could potentially lose the full principal value of his/her investment within a single day . . . . The Fund does not seek to achieve its stated performance objective over a period of time greater than a single day.** [Bold in original].

6. The prospectus for the leveraged ETF, UVXY, disclosed that it was a complex product and was intended to be used for short-term holdings. For instance, the UVXY prospectus provided: (i) "[UVXY] uses leverage and is riskier than similarly benchmarked exchange-traded funds that do not use leverage;" (ii) "Shareholders who invest in [UVXY] should actively manage and monitor their investments, as frequently as daily;" (iii) "[t]he use of leveraged positions could result in the total loss of an investor's investment within a single day;" (iv) "an investor . . . in the Fund could potentially lose the full principal value of his/her investment within a single day"; and

(v) **"[i]nvestors holding Shares of the Fund beyond short-term periods have an increased risk of losing all or a substantial portion of their investment."** [Bold in original].

7. FINRA Regulatory Notice 09-31 (the "FINRA notice"), which was published in June 2009 and which United Planners and Urich reviewed before the Relevant Period, cautioned that leveraged ETFs "are highly complex financial instruments that are typically designed to achieve their stated objectives on a daily basis." The FINRA notice also stated that such products "typically are unsuitable for retail investors who plan to hold them for longer than one trading session, particularly in volatile markets." The FINRA notice further stated that "their performance over longer periods of time can differ significantly from the performance (or inverse of the performance) of their underlying index or benchmark during the same period of time." The FINRA notice added that "[t]his effect can be magnified in volatile markets."

8. An August 2009 Investor Alert jointly issued by the SEC and FINRA (the "SEC-FINRA alert"), which United Planners and Urich reviewed before the Relevant Period, stated that "individual investors may be confused about the performance objectives of leveraged and inverse [ETFs]," and stated that these products "typically are designed to achieve their stated performance objectives on a daily basis." The SEC-FINRA alert stated that "their performance can quickly diverge from the performance of the underlying index or benchmark" when held for more than one day.

9. In July 2022, August 2022 and May 2023, United Planners issued compliance memoranda to its IARs, including Urich, highlighting the risks associated with leveraged and inverse ETFs. The May 2023 memo quoted an SEC Order involving an IAR and firm charged for breaching their fiduciary duties related to transactions involving leveraged and inverse ETFs: "**As the SEC stated in its order, holding leveraged ETFs for more than a single day can result in breach of an adviser's fiduciary duty." [**Bold in original.]

10. When Urich became an independent contractor and IAR with United Planners in September 2017, he informed United Planners that he might use leveraged and/or inverse ETFs for his advisory clients. United Planners agreed that it would permit Urich to use these products as long as they did not exceed more than 2X leverage.

11. United Planners and Urich had discretionary authority over the advisory accounts of the Impacted Clients. The investment management agreements signed by the clients at the start of their relationship required that the client initial the following statement: "I have been advised that exchange traded funds (ETFs) and leveraged ETF's may be used as part of an investment strategy for my portfolio. The risks associated with leveraged ETF's have been explained to me, and I have been provided with the [SEC-FINRA alert].'" The Impacted Clients were not informed, however, that the leveraged and/or inverse ETFs were being used in a manner inconsistent with the recommended short-term holding period, or other pertinent risks unique to the products.

12. During the Relevant Period, Urich invested the Impacted Clients in the leveraged and/or inverse ETFs without a reasonable basis to believe that the products were in the clients' best interests. It was unreasonable to do this because the totality of these clients' circumstances, which included factors such as their age, employment status, risk tolerance, and investment objectives, rendered Urich's use of the leveraged and/or inverse ETFs unsuitable for these clients.

13. Many of Urich's clients were elderly, retired, and the leveraged and/or inverse ETFs were often purchased on their behalf through retirement accounts. The average age of the Impacted Clients in 2020 was 71.

14. According to account opening agreements signed by the Impacted Clients, the clients' investment objectives were "growth" or "growth and income," and none of them selected the available option of "speculation." All but one of the Impacted Clients selected risk tolerance levels of moderate to moderately aggressive.

15. Urich purchased and held the leveraged and/or inverse ETFs in accounts of the Impacted Clients in large concentrations. The leveraged and/or inverse ETFs comprised an average of approximately 60% of the total market value of the account balances that Urich managed for the Impacted Clients. The remaining balances were primarily held in cash or cash equivalents.

16. During the Relevant Period, Urich bought and held the five leveraged and/or inverse ETF positions in the accounts of the Impacted Clients for years.

17. Urich did not have a reasonable basis to conclude that the leveraged and/or inverse ETFs were suitable for the Impacted Clients. Despite the risk disclosures in the prospectuses and regulatory disclosures, which Urich acknowledged reading and understanding, Urich failed to adequately perform a client-specific analysis of the suitability of the leveraged and/or inverse ETFs for any of the Impacted Clients, and failed to consider whether the lengthy holding periods and high concentrations were appropriate in light of the clients' ages, employment status, investment objectives, risk tolerances, individual financial situations, and investing experience.

18. Urich also did not account for the leveraged and/or inverse ETFs' risks as detailed in the prospectuses, including but not limited to, compounding risk which can result in substantial index tracking error as volatility increases, correlation risk in which numerous factors cause the ETF's performance to deviate from the reference index, and derivative risk relating to the swaps and other products the ETFs use to gain exposure to the reference index.

19. Urich also disregarded the disclosures in the prospectuses, FINRA notice, and SEC-FINRA alert that the leveraged and/or inverse ETFs are designed to achieve their stated objectives on a daily basis, and that their performance when held over longer periods of time can differ significantly from the performance of their underlying index or benchmark during the same time period. As a result, Urich invested in the leveraged and/or inverse ETFs in a manner that was

unsuitable for his clients, including concentrating clients' portfolios in leveraged and/or inverse ETFs and holding them for extended periods of time.

20. During the Relevant Period, the Impacted Clients experienced substantial losses. On average, the Impacted Clients lost approximately 70% of their investments in the leveraged and/or inverse ETFs.

21. Urich's investments on behalf of the Impacted Clients in the leveraged and/or inverse ETFs were brought to the attention of United Planners management on several occasions. Yet United Planners failed to determine whether Urich considered or assessed whether holding the leveraged and/or inverse ETFs were in the best interests of the Impacted Clients, or ensure that the risks of the products were fully and fairly disclosed to the Impacted Clients.

22. In March 2020, Urich's investments in leveraged and/or inverse ETFs in the Impacted Clients' accounts came to the attention of Urich's first-line supervisor, United Planners' compliance group, and United Planners' investment advisory group (the "Review Group"). The Review Group collectively discussed their concerns about the high concentration and extended holding periods of leveraged and/or inverse ETFs in the Impacted Clients' accounts, including that some Impacted Clients held 100% of their assets in the leveraged and/or inverse ETFs. The Review Group discussed imposing concentration limitations on Urich's use of leveraged and/or inverse ETFs, but United Planners ultimately declined to take any action, and Urich continued to purchase additional shares and hold large concentrations of the leveraged and/or inverse ETFs in the Impacted Clients' accounts for extended periods.

23. Between April 2020 and June 2022, United Planners did not conduct a meaningful review of the suitability of the Impacted Clients' holdings in leveraged and/or inverse ETFs. During this time period, Urich's first-line supervisor did not adequately review the leveraged and/or inverse ETF holdings, in part because he did not have access to a system through which to monitor concentrations or holding periods for the products.

24. In June 2022, one of the Impacted Clients filed an arbitration claim against United Planners and Urich claiming that they made unsuitable investments in the leveraged and inverse ETFs. Subsequently, a United Planners committee conducted an investigation regarding Urich's use of the ETFs. During and despite that internal investigation, between June 2022 and November 2022, United Planners placed no restrictions on Urich's ability to purchase or hold leveraged and/or inverse ETFs on behalf of his clients, including the Impacted Clients.

25. In November 2022, the committee concluded that the leveraged and/or inverse ETFs were unsuitable for the Impacted Clients given their advanced ages, risk tolerances, and the high concentrations and long holding periods. Accordingly, United Planners restricted Urich from purchasing leveraged and/or inverse ETFs for his clients. The committee did not, however, require Urich to sell the existing leveraged and/or inverse ETF holdings in the Impacted Client accounts,

and did not monitor whether it was in the best interests of the Impacted Clients to continue holding the leveraged and/or inverse ETFs. As a result, some of the Impacted Clients continued to hold the leveraged and/or inverse ETFs until at least November 2023, resulting in additional losses.

26. United Planners' policies and procedures imposed obligations on United Planners' IARs, including that:

> In the management of client portfolios, IARs are obligated to recommend to a client the purchase or sale of a security only if the IAR has reasonable grounds for believing that the recommendation is suitable for the client, based on the client's particular needs & circumstances. This requires knowledge of the client's financial situation, inclusive of investment objectives & risk tolerance. IARs must also have a good understanding of the investments they are recommending and how the investment relates to the client's overall financial situation.

27. Further, the policies and procedures imposed on its IARs "an ongoing obligation to review and update the suitability recommendations that he/she has made for clients."

28. The policies and procedures also required first-line supervisors at United Planners to "[e]nsure that the IARs investment and/or financial planning activity are suitable for the client."

29. United Planners failed to implement its policies and procedures. United Planners failed to ensure that Urich had reasonable grounds for believing that the leveraged and/or inverse ETFs were suitable for the Impacted Clients or in their best interests based on their overall financial situation. It also failed to ensure that Urich had reasonable grounds for believing that his recommendation to continue purchasing and holding for extended periods leveraged and/or inverse ETFs was suitable for the Impacted Clients. Moreover, Urich's first-line supervisor did not review Urich's recommendations to determine whether or not the investment and financial planning activity in the accounts was suitable for the clients as required by the policies and procedures.

Violations

30. As a result of the conduct described above, Respondent willfully[2] violated Section 206(2) of the Advisers Act, which makes it unlawful for any investment adviser, directly or

[2] "Willfully," for purposes of imposing relief under Section 203(e) of the Advisers Act "'means no more than that the person charged with the duty knows what he is doing.'" *Wonsover v. SEC*, 205 F.3d 408, 414 (D.C. Cir. 2000) (quoting *Hughes v. SEC*, 174 F.2d 969, 977 (D.C. Cir. 1949)). There is no requirement that the actor "also be aware that he is violating one of the Rules or Acts." *Tager v. SEC*, 344 F.2d 5, 8 (2d Cir. 1965). The decision in *The Robare Group, Ltd. v. SEC*, which construed the term "willfully" for purposes of a differently structured statutory provision, does not alter that standard. 922 F.3d 468, 478-79 (D.C. Cir. 2019) (setting forth the

indirectly, to "engage in any transaction, practice or course of business which operates as a fraud or deceit upon any client or prospective client." Scienter is not required to establish a violation of Section 206(2), but rather a violation may rest on a finding of negligence. *SEC v. Steadman*, 967 F.2d 636, 643 n.5 (D.C. Cir. 1992) (citing *SEC v. Capital Gains Research Bureau, Inc.*, 375 U.S. 180, 194-95 (1963)).

31. As a result of the conduct described above, Respondent willfully violated Section 206(4) of the Advisers Act and Rule 206(4)-7 thereunder, which require a registered investment adviser to adopt and implement written compliance policies and procedures reasonably designed to prevent violations of the Advisers Act and the rules thereunder.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent United Planners' Offer.

Accordingly, pursuant to Sections 203(e) and 203(k) of the Advisers Act, it is hereby ORDERED that:

A. Respondent United Planners cease and desist from committing or causing any violations and any future violations of Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-7 promulgated thereunder.

B. Respondent United Planners is censured.

C. Respondent United Planners shall, within 30 days of the entry of this Order, pay a civil money penalty in the amount of $600,000 to the Securities and Exchange Commission. If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. §3717.

Payment must be made in one of the following ways:

(1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;

(2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at http://www.sec.gov/about/offices/ofm.htm; or

showing required to establish that a person has "willfully omit[ted]" material information from a required disclosure in violation of Section 207 of the Advisers Act).

(3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying United Planners as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Sarah Nilson, Assistant Director, Division of Enforcement, Securities and Exchange Commission, 444 South Flower Street, 9th Floor, Los Angeles, CA 90071.

D. Pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, a Fair Fund is created for the penalty referenced in paragraph IV.C above. The Fair Fund may be added to or combined with any other monies paid in any related civil action or administrative proceeding arising out of the same investigative matter that is the basis of this action.

E. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, it shall not argue that it is entitled to, nor shall it benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that it shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

By the Commission.

Vanessa A. Countryman
Secretary