

Form # 9



**U.S. ADVISORS, INC.**

FINANCIAL ADVISORS & PLANNERS

## **Investment Advisor Brochure**

**(Form ADV-Part 2A)**

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**This Brochure provides information about the qualifications and business practices of U.S. Advisors, Inc. If you have any questions about the contents of this Brochure, please contact us at 703-706-0885. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Furthermore, registration does not imply a certain level of skill or training.**

**Additional information about U.S. Advisors, Inc. is also available on the SEC's website at [www.Advisorinfo.sec.gov](http://www.Advisorinfo.sec.gov).**

## **Item 2: Summary of Material Changes**

If material changes occur since the previous release of this Brochure, this section will be updated.

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## **Item 4: Advisory Business**

### **Background**

U.S. Advisors, Inc. (herein referred to as “USA”) is an Investment Advisory Firm. USA has been in business since 1999, and has since consistently offered the same services. Dixie Butler is the President, CEO and 100% Stockholder.

### **Services Provided**

USA provides ongoing Discretionary Investment Advisory services, and financial planning and hourly financial consulting services to its Clients. USA also provides educational seminars and workshops to individuals, government agencies, associations and corporations. In addition, USA publishes a free, educational and general-in-content newsletter.

USA mainly recommends mutual funds to its Clients. However, individual stocks, bonds or other investment instruments may be considered in Client Accounts. USA does not provide Wrap Fee services, or recommend third party advisors.

### **Discretionary Investment Advisory Services**

USA’s primary strategy when providing Investment Advisory Services is to establish an appropriate asset allocation mix. USA takes the Client’s investment goals, objectives, time-horizon, and risk and return criteria into consideration when constructing a Portfolio. The Advisor will use this information to assist the Client in selecting the “broad asset allocation mix,” and the Advisor will then construct the Portfolio. USA may accept reasonable limitations or restrictions on a Client’s Account, but all limitations or restrictions must be in writing. The following describes “The Portfolio,” “The Process,” and “Client Communications.”

#### **The Portfolio**

Based on the Client’s investment objectives, their Portfolio will be constructed by using USA’s asset allocation models and strategies, or customized to include any Client specific parameters. Investments in the Portfolio may include mutual funds, exchange traded funds, variable annuities, fixed annuities, individual stocks and bonds, certificates of deposit, money markets, or a combination of these types of securities. Assets held in the Portfolio can be easily liquidated, but short-term trading fees, early withdrawal fees, or various other fees could be assessed in the Client’s Account by the Custodian when funds are withdrawn. Before investing with a particular Custodian or making a withdrawal, Clients should discuss the possibility of any withdrawal fees that might be assessed by the various Custodians.

Regarding mutual funds and variable annuity products, The Boards of Trustees of each fund or sub-Account are responsible for selecting and monitoring Investment Managers. The Managers are responsible for managing the assets of a particular fund in accordance with the stated objectives, policies, and fees of that fund or sub-Account as set forth in each prospectus. Clients should read this information carefully and should questions arise, these should be discussed with their Advisor.

#### **The Process**

With the assistance of their Advisor, the Client will determine the Custodian(s), such as Broker/Dealer or other Custodian to be used to custody their assets and to provide trade execution services. The Advisor will also assist the Client in determining the approximate broad “asset mix” (stock-to-bond-to-cash weightings) to be contained in their various Accounts within their Portfolio. Clients approve and sign an “Investment Objectives” form which details the broad “asset mix” and contains a Limited Power of Attorney authorizing USA and/or the Advisor the power to buy or to sell securities in the Accounts listed on the “Investment

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Objectives” form. This form is signed and approved by the Client when their Account is first opened, and subsequently if a new Account is added, deleted, or changed, or if the investment objectives of the Client change. The “Investment Objectives” form and any subsequent “Investment Objectives” forms are considered incorporated into the Client’s “Asset Advisory Agreement.”

Following the Client’s two decisions of selecting the Custodian(s) and the broad “asset mix,” USA’s Advisor will continue the process by having the discretionary authority to further diversify the Portfolio within these broad asset classes. For example, the mutual fund stock portion of the Portfolio could be diversified by region (domestic, international), by style (growth, value, core, blend), and by market capitalization (large, mid, small). The bond portion of the Portfolio could be diversified by sector (governments, mortgages, corporates, foreign), by maturity (short, intermediate, long), and by quality (investment grade, high yield). If the Custodian of the assets offers non-traditional asset classes, such as real estate, commodity funds, etc. the Advisor may also allocate a portion of the assets to these asset classes.

USA continuously monitors its investment models, selected fund or sub-Account managers, and market conditions. And, at its discretion it may buy or sell securities, rebalance the Portfolio to align it more closely to the selected investments and asset classes, change the sub-asset proportionate breakdown, or replace investments. USA handles all tasks while doing its best to adhere to the Client’s approximate broad “asset mix” listed on the Client’s “Investment Objectives” form. USA does not try to “time the market,” nor does it try to “time various asset classes.” Therefore, Portfolios will generally be totally invested at all times.

USA reviews Client Portfolios no less than semi-annually. If required, USA will rebalance a Client’s Account when the sub-asset proportionate breakdown deviates from its variance criteria. USA may rebalance more frequently, for example, when a Client invests additional funds into their Account or when funds are disbursed. Another example would be if USA decided to replace or to add a fund manager or to make an asset class change. Due to numerous variables, USA always reserves the right to change the frequency of rebalancing, to change the selection of investments, and to change the sub-asset proportionate selections and percentage breakdowns.

Clients should understand that the approximate broad “asset mix” and USA’s choices of the sub-asset proportionate mix will continuously change based on the market values of the underlying investments. Clients should also understand that in the case of mutual funds and/ or variable annuity sub-Accounts, the asset mix contained in the individual fund selections could contain a weighting of assets that varies from time-to-time. This could cause a deviation in the Client’s stock versus bond broad “asset mix” allocations. USA monitors these types of activities, and makes decisions based on its best judgment.

Furthermore, Clients should understand that there are no guarantees or assurances that losses will be limited by USA’s analysis. Moreover, there are no guarantees that the investments selected by USA will achieve or maintain the Client’s investment objectives or goals.

Clients will receive all transaction confirmations and statements no less than quarterly directly from the Custodian of their Account(s). These statements will detail any and all advisory fees deducted from the Account(s). It is the responsibility of the Client to compare all fee deductions with USA’s fee statements, and to report any discrepancies to USA. Accuracy of all Client statements and reports is the responsibility of the provider (Custodian) and not of USA or of its Advisors. If the Client believes any report to be incorrect, it is their responsibility to contact their Advisor so that any discrepancies can be rectified as soon as possible.

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Clients should notify their USA Advisor if their risk profile or financial situation changes; if there are any changes in their financial situation or investment objectives; or, if they wish to impose, add or modify any reasonable restrictions to the management of their Account(s).

At the Client's request and based on the Client's selected equity to fixed-income weighting, USA's Investment Advisory services could be retained. Recommendations would be based on the assets and asset classes available in the Client's employer's plan. The Client pays the fees associated with this service.

### **Client Communications**

USA takes Client communication very seriously, and encourages all Clients to stay in touch with any questions or concerns regarding their Portfolio. USA's preferred choice of Client communication is by telephone or face-to-face. E-mail is a convenient form of communication, but when discussing a Client's Portfolio or other Client financial concerns, it's always best to telephone USA or to schedule a meeting. The Internet is not 100% private or safe. USA tries to be as efficient and as private as possible in all its endeavors.

USA has an "open door" policy on Client communications, and also offers to meet annually with Clients to discuss their overall financial situation. USA will act on any changes that may suggest a different Portfolio strategy. Examples of such changes could include tax law changes, a job change, marriage, and divorce, the birth of a child, early retirement, assumption of financial responsibility for elderly parents, or simply a change in the Client's comfort zone over the asset mix of their Portfolio.

Clients should always contact their Advisor if there are any changes in their financial situation or investment objectives, and if they wish to impose, add, or modify any reasonable restrictions to the management of their Portfolio. The Advisor will assist the Client in sorting out the issues surrounding possible changes to the Portfolio and will implement any changes agreed to by the Advisor and Client. The annual meeting is just a reminder that a "financial check-up" might be in order. Clients are always welcome to call or to schedule an appointment anytime they deem it necessary.

### **Client Assets**

As of June 12, 2012 USA manages approximately \$48 million in Client assets on a discretionary basis. USA does not manage Client assets on a non-discretionary basis.

### **Financial Planning, Hourly Financial Consulting, Educational Seminars, and Workshops**

These types of services are separate and distinct from Investment Advisory Services, and are contracted by the Client on an "as needed" basis for a separate fee. The following explains USA's Financial Planning, Hourly Financial Consulting, and Educational Seminars and Workshops services. Fees are explained in the "How we take our Fee" section of this Brochure.

### **Financial Planning**

Financial Planning services will be performed by a Certified Financial Planner (CFP). USA defines Financial Planning as a "comprehensive financial plan." Services provided in a "subset of the financial planning components" fall under "Hourly Financial Consulting." USA may perform Financial Planning services for other Clients. USA's advice to each Client may vary due to each Client's individual circumstances. Recommendations made by USA may include services or products offered by USA and/or its affiliated companies. A conflict of interest may exist between the Investment Advisor and the interests of the Client. The Client is under no obligation to act upon the Investment Advisor's recommendations. If the Client elects to act on any of the

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recommendations, the Client is under no obligation to effect the transactions through USA or through any of its affiliated companies. For any and all advice given, the Client understands that due to the limited nature of services, USA is under no obligation to contact the Client regarding changes in the financial markets, changes in investments or in products USA may have recommended, changes in tax laws, or for any other reason pertaining to advice that was given in the past.

Comprehensive financial planning will involve: the review of the Client's current circumstances in the areas of Financial Management, Tax Planning, Asset Management, Risk Management, Retirement Planning and Estate Planning. The CFP will define the terms of engagement - identify the Client's goals, needs and priorities - obtain the Client's information - analyze the information with respect to the Client's goals, needs and priorities - identify and evaluate the appropriate financial planning strategies - develop the financial planning recommendations - present the financial plan - discuss implementation action, discuss responsibilities and times frames - and if engaged by the Client, review the Client's situation and re-evaluate the financial plan.

### **Hourly Financial Consulting**

Hourly Financial Consulting services will be supervised or performed by a CFP. USA may perform Hourly Financial Consulting services for other Clients. USA's advice to each Client may vary due to each Client's individual circumstances. Recommendations made by USA may include services or products offered by USA and/or its affiliated companies. A conflict of interest may exist between the Investment Advisor and the interests of the Client. The Client is under no obligation to act upon the Investment Advisor's recommendations. If the Client elects to act on any of the recommendations, the Client is under no obligation to effect the transactions through USA or through any of its affiliated companies. For any and all advice given, the Client understands that due to the limited nature of services, USA is under no obligation to contact the Client regarding changes in the financial markets, changes in investments or in products USA may have recommended, changes in tax laws, or for any other reason pertaining to advice that was given in the past.

USA defines Hourly Financial Consulting as giving hourly advice regarding specific Client concerns. These concerns could include advice on: budgeting, employer retirement plans, financial questions related to family members, estate issues, insurance concerns, and various other financial questions and concerns. Furthermore, hourly financial consulting services are also defined by USA as giving advice in a "subset of a financial planning component." For example, this advice could include the preparation of a retirement plan or of an estate plan. By limiting USA's analysis to only specific areas, the Client should understand that information regarding specific issues not revealed to USA may have a direct impact on the Client's overall financial picture and financial well-being.

### **Educational Seminars and Workshops**

USA provides Educational Seminars and Workshops on an as requested and on a fee-negotiated basis. USA provides these services to individuals, government agencies, associations and corporations. The organization that contracts with USA will decide the educational topics. Examples of topics could include retirement planning, estate planning, and investing.

USA also publishes a complimentary newsletter, free of charge. The newsletter is educational and general in content, and does not give investment advice.

## Item 5: Fees and Compensation

Asset Advisory fees are calculated based on the value of each individual Account registration held by each individual Custodian, and not calculated on the aggregate value of all Account registrations held by all Custodians for a particular Client. Fees are based on the value(s) of the Client's Account(s) on June 30 and on December 31, unless otherwise specified in the Client's Agreement. Clients should understand that the value downloaded and used by USA for calculating fees is based on the value supplied by the Custodian(s). However, because of download timing issues, Client's Account values could differ slightly from Custodians' actual statements. Furthermore, Clients should understand that it is their responsibility to verify that the Advisory fees have been correctly calculated and deducted from their Custodians' Accounts.

Clients approve and sign an "Annual Advisory Fee Schedule," which details the annual costs and guidelines on fees. This form is signed and approved by the Client at the time their Account is first opened, and subsequently if a new Account is added, deleted, or changed. The "Annual Advisory Fee Schedule" and any subsequent fee schedules, which supersede the previously signed schedule, are considered incorporated into the Client's "Asset Advisory Agreement." The fee schedule also details the fee amount and whether it will be deducted from a Custodian's Account or paid directly to USA by the Client. Fees are specifically for Asset Advisory Services. Financial planning or hourly financial consulting services are not part of the "Asset Advisory Agreement." If these services are provided, a separate billing at USA's hourly rate will apply.

Lower fees for comparable services may be available from other sources. USA gives advice on "cash" Accounts only (no margin Accounts), hence the value of the assets under management equals the net value of the Account.

### Annual Advisory Fee Schedule:

Per Account as defined above		Annual Fee	
First	\$ 250,000	1.50%	(Fee Schedule 4)
Next	\$ 250,000	1.25%	
Next	\$ 500,000	1.00%	
Next	\$10,000,000	.75%	
Employer Plan		.50%	(Fee Schedule 2)
Modified Fee		.50%	(Fee Schedule 3)

Fee Schedule 1 is no longer available; however, some prior Clients may be under contract with this fee schedule, which is more favorable than Fee Schedule 4 listed above.

Regarding the above "modified fee," an Investment Advisor of USA may also be a licensed securities representative of U.S. Investors, Inc., Member FINRA, SIPC, an affiliated Broker/Dealer, as discussed further in Item 10. It is USA's policy to modify the Advisory fee on any specific Account with any specific Custodian if the Account was originally set up by U.S. Investors, Inc., **and** if the Advisor/Registered Representative earned a commission within the past three years **and** is currently receiving a 12b-1 service fee from the Custodian who holds the Account. To qualify for the modified fee, assets must remain with the Custodian as originally invested by U.S. Investors, Inc. Investments placed through this arrangement could present a conflict of interest and may give the USA Advisor the incentive to recommend investment products based on compensation received, rather than on the Client's need. The Client always has the option to



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purchase investment products recommended by USA through other brokers or agents that are not affiliated with USA. Advisory Fee for the Employer Plan is based on current balance, not on vested balance.

### **How USA Takes its Fee**

Clients approve and sign an “Annual Advisory Fee Schedule,” which details the annual fees and guidelines on fees. The fee schedule also details the fee amount and whether it will be deducted from a Custodian’s Account or paid directly to USA by the Client. Fees are specifically for Asset Advisory Services. Financial planning or hourly financial consulting services are not part of the Agreement. If these services are provided, a separate billing at USA’s hourly rate will apply.

The Client can request that the fee from their various Accounts be taken from one particular Account by aggregating the individual Account fees, or be taken from each individual Account. The Client also has the option to be billed directly. Fees are never billed or received in advance.

### **The Billing Cycle and Fee Calculation**

The initial fee accrual begins on the date the “Asset Advisory Agreement” is signed and ends on the date that the “Asset Advisory Agreement” is terminated. Fees will be prorated based on these two dates only. Therefore, the first and last fee will be calculated based on the number of days in the particular billing cycle, assuming 30 days in each calendar month.

USA’s billing cycle is semi-annual and runs from January 1 through June 30, and July 1 through December 31. The semi-annual billing is based on the values of the Client’s Accounts as of the ending date of each billing cycle (June 30 and December 31). The billing is prepared based on the online values by USA from the various Custodian sites. These figures could vary slightly from the Client’s statement(s) for the same time cycles.

### **Financial Planning, Hourly Financial Consulting, Educational Seminars and Workshops**

Financial planning and hourly financial consulting services are billed at the rate of \$175 per hour for any and all work performed. This hourly rate includes partial hours based on 15 minute intervals. Billable time includes, but is not limited to; Client meetings, document and information gathering, conferences with the Client’s professional Advisors (such as their accountant or attorney), research, analysis of data, plan development etc. Typically, the minimum cost for a comprehensive financial plan is \$2,000. Client fees are never collected or billed in advance; they are paid when the services are rendered. Services can be terminated at any time in writing by the Client or by USA, and fees are due for services provided up to the date of termination.

Educational seminars and workshop fees are negotiated, ranging from no charge to \$2,500.

### **Other Possible Fees**

USA’s asset Advisory fees are separate and distinct from fees and expenses that may be charged by Custodians (broker dealers, mutual fund companies, insurance companies, trust companies), or any other third party associated with the Client’s Account(s). A description of any such fees and expenses will be provided by these parties. These additional fees and charges could include but are not limited to, transaction fees, short term trading fees, custodial fees, mutual fund management fees, 12(b)-1 distribution fees, surrender charges, processing fees, commissions, and IRA and qualified retirement plan fees.

### **Fees Are Negotiable**

In certain circumstances, fees, Account minimums and payment terms are negotiable. Terms of negotiation could depend on, but are not limited to, a Client’s unique situation, such as the size

of the aggregate related Portfolio, family holdings, passively advised investments and other situations.

## **Item 6: Performance-Based Fees and Side-by-Side Management**

USA's fee is based solely on Client assets under management. USA is never compensated based on a share of capital gains or capital appreciation, or on any portion of the Client's funds.

## **Item 7: Types of Clients**

### **Who USA Caters To**

USA provides services to individuals, high-net-worth individuals, trusts, estates, corporations, and other business entities.

### **Account Minimums**

Generally, a Client must have an aggregate Account value of \$250,000. However, this is negotiable and can be waived at the discretion of the Advisor.

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

### **Methods of Analysis and Information Gathering**

USA uses various analytical methods, which include: economic, fundamental, technical, and cyclical information; and interest rate, market, asset class, valuation analysis; and industry/sector information. USA uses these sources of information: financial newspapers and magazines, research materials provided by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, company press releases, investment managers, financial service companies, the Internet, and financial journals.

USA may receive analytical information and other information from mutual fund companies, insurance companies, Custodians and other firms. USA may use this information in making recommendations to Clients.

### **Investment Strategies**

USA's primary strategy when providing Investment Advisory Services is to establish an appropriate asset allocation mix. USA takes the Client's investment goals, objectives, time-horizon, and risk and return criteria into consideration when constructing a Portfolio. The Advisor will use this information to assist the Client in selecting the "broad asset allocation mix," and the Advisor will then construct the Portfolio. USA may accept reasonable limitations or restrictions on a Client's Account, but all limitations or restrictions must be in writing. USA recommends that Clients invest for the long-term and consider a holding period of at least five years. However, USA will implement a Portfolio with a shorter time-horizon (holding period).

*Refer to Item 4 (Advisory Business) under Discretionary Investment Advisory Services, where USA's investment strategies are explained in detail.*

### **Risk of Loss**

USA's Investment Advisory Services are most suitable for Clients intending to stay invested for at least five years. This is because capital values fluctuate more over shorter periods. All Clients should recognize that the possibility of capital loss exists no matter the length of the investment time-horizon (short or long), and that the objectives of a Portfolio cannot be achieved without incurring a certain amount of principal volatility. Financial research has demonstrated that price volatility can be reduced by lengthening the investment time-horizon. But, in spite of all the

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financial research compiled by some of the smartest minds in the industry, no guarantees can be given about current or future performance. Clients should understand that there are neither guarantees that losses will be limited by USA's analysis, nor guarantees that their goals will be achieved.

All investments involve the potential for loss of value; Clients should be prepared to bear any such losses. Clients should always be prepared for the possibility of a market downturn, which could cause their Portfolio to decrease in value.

Examples of some of the many types of risks that could impact a Client's Portfolio are listed below:

- **Interest Rate Risk:** Fluctuations in interest rates may cause fixed investment prices to fluctuate. For example, an investor with a holding of long-term bonds has assumed interest rate risk because the market value of those bonds will fall if interest rates rise.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible or intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market risk.
- **Inflation Risk:** When inflation is present, a dollar today will not buy as much as a dollar tomorrow, because purchasing power erodes at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's country of origin.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return.
- **Business Risk:** These risks are associated with a particular industry or with a company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity regardless of the economic environment.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a decline in the company's market value.
- **Poor Security Selection Risk:** Advisors, mutual fund managers or others could cause a Portfolio to underperform based on the selection of securities or asset classes.

## Item 9: Disciplinary Information

Neither USA, nor any of its Advisors or its employees has been involved in any legal or disciplinary actions or events related to past or present investment Clients, or any other type of Client.

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## **Item 10: Other Financial Industry Activities and Affiliations**

### **Other Arrangements**

USA has arrangements that are material to its Advisory business and/or its Clients with these related companies; U.S. Investors, Inc., Member FINRA, SIPC (Broker/Dealer), Butler Financial, Inc. (financial services company), and Divorce Planning, Inc. (divorce planning firm). USA also has an Advisory Agreement with TD Ameritrade Institutional, Member FINRA, SIPC (Broker/Dealer). USA Clients may be referred to and offered services by a related or affiliated company. However, Clients are not obligated to use these services.

Dixie Butler, President of USA, is also President of U.S. Investors, Inc., Member FINRA, SIPC, Butler Financial, Inc., and Divorce Planning, Inc. Ms. Butler holds an insurance license and an inactive real estate license.

Investment Advisors may be separately licensed as Registered Representatives, and in that case may receive commission based compensation for the sale of securities through their Broker/Dealer. Investment Advisors may be separately licensed insurance agents as well. Therefore, if a Client elects to purchase insurance products through such an Advisor, the Advisor will be compensated by the provider on a commission basis.

The firm maintains a fiduciary obligation to place its Clients' interests first. Clients should be aware that the receipt of additional compensation as explained in the two preceding paragraphs, could create a conflict of interest, and may affect the judgment of the Advisor when making investment recommendations. In order to properly handle such potential conflicts of interest, the firm has adopted a Code of Ethics.

### **Broker/Dealer Affiliation**

USA is affiliated through common ownership with U.S. Investors, Member FINRA, SIPC and is affiliated through an Advisor Agreement with TD Ameritrade Institutional, Member FINRA, SIPC. USA may offer to buy or to sell securities through these affiliated companies; however, Clients are not obligated to use these affiliates. Clients always have the right to select the Broker/Dealer or other Custodian of their choice.

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

### **Code of Ethics**

Our Code of Ethics is based on the principle that all employees of USA and certain other persons have a fiduciary duty to place the interest of Clients ahead of their own and those of USA's.

The following is a list of duties described in USA's Code of Ethics and a brief description of each:

- **Gifts:** An employee may not accept gifts with the exception of promotional items, customary business meals, or gifts of nominal value. An employee may not solicit gifts. Employees may not give a gift of over \$100 to any Client or person who does business with the firm.
- **Company Opportunities:** Employees may not take personal advantage of any opportunity that would otherwise be acquired for a Client.
- **Undue Influence:** Employees shall not sway any Client to purchase, sell, or hold any security in a manner calculated to create any personal benefit for that employee.

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- Reporting, Review and Recordkeeping: All violations of this Code must immediately be reported to the CCO. The CCO will review employees' personal trading reports in order to monitor adherence to this Code.
- Sanctions: If an employee is in violation of this Code, the CCO will determine the proper disciplinary action.
- Exceptions: Exceptions to this Code may be granted by the CCO on a case-by-case basis.
- Compliance Certification: All employees must sign a certificate, upon employment, that proves his or her receipt of this Code.

The preceding list is just a brief outline of USA's Code of Ethics. A copy of the actual Code may be provided upon request.

### **Participation in Client Transaction**

USA may buy or sell the same securities that it recommends to Clients for its own Portfolio. If these transactions are executed, a conflict of interest could exist. Therefore, USA's policy is to never buy or sell securities (other than mutual funds or variable annuity products) for its own Portfolio until at least 30 days after the same transaction has been executed in a Client's Account.

## **Item 12: Brokerage Practices**

### **Custodians**

USA uses the services of TD Ameritrade Institutional, Member FINRA, SIPC that provides USA with access to institutional trading, custody services, research, and a platform on which to manage Client Accounts.

USA also uses the services of U.S. Investors, Inc., Member FINRA, SIPC and may solicit the sale of mutual funds and/or variable annuities through this firm. U.S. Investors, Inc., Member FINRA, SIPC does not custody Client money or assets; custody is given to the particular mutual fund or insurance company where the transaction is being executed.

Clients are permitted to direct USA to use a different Broker/Dealer or Custodian(s). However, if the Client directs USA to use a particular Broker/Dealer or Custodian(s), the Client understands that transaction costs could be higher, that USA may not be able to aggregate orders, that the Client may not be able to receive the most favorable execution, that USA may not be able to purchase mutual funds at NAV, and that the Client may be required to pay other costs.

### **Soft-Dollar Benefits**

As a result of the business that USA places with TD Ameritrade Institutional, Member FINRA, SIPC and U.S. Investors, Inc., Member FINRA, SIPC, Advisors may receive certain soft-dollar benefits. These benefits include, but may not be limited to, educational and training services, technology, due diligence meetings, investment and other research, or various other services that may benefit some or all of USA's Clients. Use of soft-dollars is intended to comply with the Securities Exchange Act of 1934, Section 28(e), which provides a safe harbor for investment managers/Advisors who use commissions or transaction fees paid for by their advised Accounts to obtain investment research services. These services provide lawful and appropriate assistance to the Advisor/manager in performing investment decision-making responsibilities. As required by Section 28(e), USA will make a good-faith determination that the amount of commission or other fees paid are reasonable in relation to the value of the brokerage and research services provided. Therefore, before placing orders with a particular broker, USA makes a best-efforts

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decision by considering all the value of all the brokerage and research products and services by T.D. Ameritrade and/or U.S. Investors, Inc., as compared to its competitors.

**Conflict of Interest**

Given that USA is a fiduciary, and is always acting in the Client's best interest, USA's desire to collect most Client assets at TD Ameritrade Institutional, Member FINRA, SIPC or U.S. Investors, Inc., Member FINRA, SIPC may be based in part on the benefit of USA's accessibility to some of the products and services (soft-dollar benefits) at little or no cost to USA. This may cause the Client to pay higher transaction fees, commissions, and principal mark ups and mark downs than those charged by other Custodians. However, USA makes its best effort to negotiate fees with all Broker/Dealers that are recommended. Also, USA makes its best effort to refer its Clients to Broker/Dealers or other Custodians of significant size and financial prowess in order to ensure security of the Client's assets. For these reasons, USA may not always use the lowest-cost Custodian.

**Non-Aggregation of Client Trades**

USA does not generally aggregate Client trades to receive reduced commissions or transaction fees, as most trades are mutual fund purchases at net asset value (NAV), or mutual fund sales with no deferred sales charges. All trades are typically made at the individual Client Account level after review by an Advisor.

**Item 13: Review of Accounts**

**Investment Advisory Clients**

USA reviews Client Portfolios no less than semi-annually. If required, USA will rebalance a Client's Account when the sub-asset proportionate breakdown deviates from its variance criteria. USA may rebalance more frequently, for example, when a Client invests additional funds into their Account or when funds are disbursed. Another example would be if USA decided to replace or to add a fund manager or to make an asset class change. Due to numerous variables, USA always reserves the right to change the frequency of rebalancing, to change the selection of investments, and to change the sub-asset proportionate selections and percentage breakdowns.

USA continuously monitors its investment models, selected fund or sub-Account managers, and market conditions. And, at its discretion, it may buy or sell securities, rebalance the Client's Portfolio to align it more closely to the selected investments and asset classes, change the sub-asset proportionate breakdown, or replace investments. USA handles all tasks while doing its best to adhere to the Client's approximate broad "asset mix" listed on the Client's "Investment Objectives" form. USA does not try to "time the market," nor does it try to "time various asset classes." Therefore, Portfolios will generally be invested in total at all times.

**Financial Planning Clients**

Financial planning services are provided on an "as requested basis" and are not reviewed unless requested by the Client. USA encourages all Clients to update their financial plans on an annual basis; however, it is the Client's responsibility to request an update or additional services, and not that of the Advisor.

**Reports**

All monthly and/or quarterly statements or reports will be provided by the Custodian. Some Custodians may provide a monthly and/or quarterly performance report. Account statements generally include positions, purchases, sales, paid dividends and capital gains, cost basis,

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deposits, withdrawals, and Advisory fees. Correctness of all statements and/or performance reports is the responsibility of the issuing Custodian and of the Client. Clients may occasionally receive other information or correspondence from these firms and/or from USA, such as position-detail reports, asset allocation reports, and newsletters or correspondence regarding their Account or financial situation.

## **Item 14: Client Referrals and Other Compensation**

### **Referrals**

USA does not compensate individuals or firms for providing Client referrals.

### **Additional Compensation**

USA does not receive economic benefits or cash from a non-Client in connection with providing investment management or giving advice to Clients.

## **Item 15: Custody**

It is “implied” that USA has custody of Client assets because USA may directly deduct Advisory fees from Client Account(s). Clients will receive Account statements from the Broker/Dealer, bank or other qualified Custodian. Clients should carefully review these statements. To be certain that all fee deductions are correct, Clients should also compare the Account statements received from the qualified Custodians with those they receive from USA.

## **Item 16: Investment Discretion**

As detailed in Item 4 of this Brochure, Clients approve and sign an “Investment Objectives” form which details the broad “asset mix” and contains a Limited Power of Attorney authorizing USA and/or the Advisor the power to buy or to sell securities in the Accounts listed on the “Investment Objectives” form. This form is signed and approved by the Client when their Account is first opened, and subsequently if a new Account is added, deleted, or changed, or if the investment objectives of the Client change. The “Investment Objectives” form and any subsequent “Investment Objectives” forms are considered incorporated into the Client’s “Asset Advisory Agreement.”

Following the Client’s two decisions of selecting the Custodian(s) and the broad “asset mix” for their Portfolio, USA’s Advisor will continue the process by having the discretionary authority to further diversify the Portfolio within these broad asset classes. For example, the mutual fund stock portion of the Portfolio could be diversified by region (domestic, international), by style (growth, value, core, blend), and by market capitalization (large, mid, small). The bond portion of the Portfolio could be diversified by sector (governments, mortgages, corporates, foreign), by maturity (short, intermediate, long), and by quality (investment grade, high yield). If the Custodian of the assets offers non-traditional asset classes, such as real estate, commodity funds, etc. the Advisor may also allocate a portion of the assets to these asset classes.

USA continuously monitors its investment models, selected fund or sub-Account managers, and market conditions. And, at its discretion it may buy or sell securities, rebalance the Portfolio to align it more closely to the selected investments and asset classes, change the sub-asset proportionate breakdown, or replace investments. USA handles all tasks while doing its best to adhere to the Client’s approximate broad “asset mix.”

Clients should understand that the approximate broad “asset mix” and USA’s choices of the sub-asset proportionate mix will continuously change based on the market values of the underlying

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investments. Clients should also understand that in the case of mutual funds and/ or variable annuity sub-Accounts, the asset mix contained in the individual fund selections could contain a weighting of assets that varies from time-to-time. This could cause a deviation in the Client's stock versus bond broad "asset mix" allocations. USA monitors these types of activities, and makes decisions based on its best judgment.

Furthermore, Clients should understand that there are no guarantees or assurances that losses will be limited by USA's analysis. Moreover, there are no guarantees that the investments selected by USA will achieve or maintain the Client's investment objectives or goals.

Clients should notify their USA Advisor if their risk profile or financial situation changes; if there are any changes in their financial situation or investment objectives; or, if they wish to impose, add or modify any reasonable restrictions to the management of their Account(s). For instance, a Client might wish to hold certain securities in their Portfolio, such as individual stocks, and have these "locked-off" from USA's ability to trade these securities. Or, a Client might wish not to invest in certain asset classes. Any restrictions placed on a Client's Account must be in writing.

### **Item 17: Voting Client Securities**

USA does not accept the authority to vote proxies, nor does it vote proxies on behalf of Clients. USA also does not render advice nor take any actions on behalf of Clients with respect to any legal proceedings, including bankruptcies and shareholder litigation. Clients retain the authority and responsibility for receiving and voting proxies, and for receiving and following-through with any legal proceedings for securities maintained in their Portfolios. Clients will receive these documents and other corporate actions directly from the company in which their assets are invested, but not directly from USA.

### **Item 18: Financial Information**

USA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of a bankruptcy proceeding.

USA does not serve as a Custodian for Client funds or securities, and does not require prepayment of fees; therefore, USA does not collect fees in advance. USA has discretionary authority as outlined in Item 4 and Item 16 of this Brochure.

### **Item 19: State-Registered Advisors**

At a minimum, USA requires that all Investment Advisors have one year working experience for an investment advisory firm, **and** successfully pass the FINRA Series 7 - General Securities Representative Exam and the FINRA Series 66 – Uniformed Combined State Law Exam, **or** pass the FINRA Series 65 - Uniform Investment Advisor Law Exam, **or** be designated as a Certified Financial Planner (CFP®).

USA does not participate in any business activities other than that of giving investment advice.

USA does not have any legal, civil, criminal, regulatory, or disciplinary history.

Neither USA, nor any of its related persons have a relationship with any issuer of securities that is not listed in Item 10 above.



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Neither USA, nor any of its Advisors are compensated for advisory services with “performance-based-fees.” “Performance-based-fees” may create an incentive for the Advisor to recommend an investment that may carry a higher degree of risk to the client.

**Dixie Butler**

Dixie Butler, Investment Advisor Representative, is the President of U.S. Advisors, Inc. Detailed information about Ms. Butler can be found in USA’s Brochure Supplement, ADV-Part 2B.

All material conflicts of interest have been disclosed regarding the Investment Advisor, USA’s representatives and its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

## **Brochure Supplement**

**(Form ADV-Part 2B)**

**Dixie Butler**

**U.S. Advisors, Inc.  
515 King Street  
Suite 310  
Alexandria, VA 22314**

**Tel: 703-706-0885**

**Fax: 703-706-9556**

**Email: [USA@usadvisors.biz](mailto:USA@usadvisors.biz)**

**Web: [www.usAdvisors.net](http://www.usAdvisors.net)**

**This Brochure supplement provides information about the qualifications and business practices of Dixie Butler. It supplements the U.S. Advisors, Inc. “Investment Advisory Brochure,” which potential clients and current clients receive. Please contact the firm if you have any questions about the contents of this supplement.**

**Information contained in this Brochure supplement has not been approved or verified by the Securities & Exchange Commission (SEC) or any state securities authority. The term “registered” does not imply a certain level of skill or training.**

**Additional information about Ms. Butler is available on SEC’s website: [www.Advisorinfo.sec.gov](http://www.Advisorinfo.sec.gov).**

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**Name:** Dixie Butler (President, Investment Advisor Representative, Portfolio Manager)

**D.O.B:** September 1, 1950

**Education:** George Washington University (CFP Program)  
Financial College of Denver (CFP Program & Designation)

**Licenses/ Professional Designations:**

- Certified Financial Planner (CFP®) \*
- Certified Divorce Financial Analyst (CDFA) \*
- Enrolled Agent (EA) \*
- Series 24 - General Securities Principal
- Series 27 - Financial and Operations Principal
- Series 7 - General Securities Representative
- Series 53 - Municipal Securities Principal
- Series 63 - Uniform Securities Agent State Law Exam
- Series 65 - Uniform Investment Advisor Law Exam
- Series 99 - Operations Professional
- Insurance Licensed (various states)
- Inactive Real Estate License

**\* Minimum Designation Qualifications**

A Certified Financial Planner (CFP®) must pass the comprehensive CFP® Certification Examination, pass the CFP Board's Fitness Standards for Candidates and Registrants, agree to abide by CFP Board's Code of Ethics and Professional Responsibility and Rules of Conduct, and take continuing education of 30 hours every two years.

An Enrolled Agent (EA) must pass three parts of the Special Enrollment Examination given by the Internal Revenue Service, and take continuing education of 72 hours every three years.

A Certified Divorce Financial Analyst (CDFA) must pass a four-part Certification Examination, and take continuing education of 15 hours every two years.

**Business:**

Dixie Butler is the President of U.S. Advisors, Inc. She is also the President of U.S. Investors, Inc., Member FNRA, SIPC a broker/dealer, Divorce Planning, Inc., a pre-divorce financial planning firm, and Butler Financial, Inc., a financial services firm. Ms. Butler has worked in the investment and financial planning industries for over 25 years.

**Disciplinary Information:**

Ms. Butler does not have any legal, civil, criminal, regulatory, or disciplinary history.

**Other Business Activities and Additional Compensation:**

Ms. Butler is licensed as a Registered Representative to sell securities through U.S. Investors, Inc., Member FINRA, SIPC, a broker/dealer. In this capacity, Ms. Butler may be involved in the sale of mutual funds and/or various annuities, of which she will receive a commission.

Ms. Butler is licensed as an Insurance Agent and through various carriers may sell Life, Long-Term Health Care or Disability insurance products, of which she will receive a commission.

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Ms. Butler has an incentive to recommend investment products based on the compensation received rather than on the Client's needs. Investment Advisor Representatives of USA have a fiduciary duty to act in the best interest of their Clients.

Ms. Butler spends approximately 20% of her time on business activities that are not related to USA's advisory business.

Ms. Butler has served on the City of Falls Church Retirement Pension Board and the city's Police Department Pension Board. She has also served on the Falls Church City Business Development Commission and the Industrial Development Authority, and in the future may serve on various state, county, and corporate boards.

**Supervision:**

Ms. Butler is responsible for the supervision and ongoing operation of USA. This supervision extends to reviewing all aspects of the business, and maintaining a fair and equitable environment for Clients and their Accounts. Ms. Butler is responsible for the supervision of each employee. This supervision extends to reviewing their business practices and monitoring the advice given to Clients. Written supervisory procedures will be maintained to ensure compliance with all state Securities Acts where USA is registered. Questions related to the activities of any employee may be directed to Ms. Butler at the telephone number listed on the cover of this Brochure Supplement.

**Requirements for State-Registered Advisors:**

At a minimum, USA requires that all Investment Advisors have one year working experience at a an investment advisory firm, and successfully pass the FINRA Series 7 - General Securities Representative Exam and the FINRA Series 66 – Uniformed Combined State Law Exam, or pass the FINRA Series 65 - Uniform Investment Advisor Law Exam, or be designated as a Certified Financial Planner (CFP®).

In addition to "Disciplinary Information" listed above, Ms. Butler has neither been involved in an award or otherwise found liable in an arbitration claim alleging damages in excess of \$2,500, nor found liable in a civil, self-regulatory organization, or administrative proceeding, nor has been the subject of a bankruptcy petition.