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Client Disclosure Brochure: Form ADV Part 2A

This Client disclosure brochure is the most recent update of our Form ADV Part 2A and Audited Balance Sheet. It provides Clients with information about our company, our advisory services and fees. This disclosure information should be carefully considered before you become a Client of **United Capital Financial Advisers, LLC (“United Capital”)**. If you have any questions, please call us or write to the address below. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about United Capital is also available on our website at www.unitedcp.com and the SEC’s website at www.adviserinfo.sec.gov.

United Capital Regional Offices/Divisions:

United Capital Branded Office¹ Locations:

- California: Oxnard, San Diego, San Francisco
- Connecticut: Stamford
- Florida: Boca Raton, Ft Lauderdale, Miami, New Port Richey, Palm Harbor
- Illinois: Rockford
- Nevada: Las Vegas
- New Jersey: Ridgewood
- Pennsylvania: Lower Gwynedd
- Tennessee: Memphis, Nashville
- Texas: Dallas, Houston

Other Branded Office Locations¹ (each being a Division of United Capital Financial Advisers, LLC)

- California: United Wealth Management (Westlake Village), Waypoint (Modesto), The Hunter Group (San Diego)
- Colorado: Dunn Hogerty (Ft. Collins)
- Illinois: Hotchkiss Associates (Chicago), Integrated Financial Management (Northbrook)
- Maryland: Cornerstone (Bethesda), Zirkin-Cutler Investments (Bethesda)
- New Mexico: MarketSpace Financial (Albuquerque)
- Texas: Park Cities Financial Group (Dallas)

¹Note, United Capital Financial Advisers, LLC regional offices may represent themselves under the registrants abbreviated name of “United Capital”, with or without a regional locator included, as well as “United Capital Private Wealth Counseling™”, or another name branded as a division of United Capital Financial Advisers, LLC

Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published "Amendments to Form ADV" which amends the disclosure document that we provide to Clients as required by SEC Rules. This Brochure dated March 31, 2011 is a new document prepared according to the SEC's new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide Clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to Clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting our main office at 949-999-8500. Our Brochure is also available on our web site www.unitedcp.com, also free of charge.

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

Table of Contents

Material Changes	1
Table of Contents	2
Advisory Business	3
Fees and Compensation	7
Performance-Based Fees and Side-By-Side Management	12
Types of Clients	12
Methods of Analysis, Investment Strategies and Risk of Loss	12
Disciplinary Information	13
Other Financial Industry Activities and Affiliations	13
Code of Ethics	13
Brokerage Practices	14
Review of Accounts	16
Client Referrals and Other Compensation	17
Custody	18
Investment Discretion	18
Voting Client Securities	18
Financial Information	19
Brochure Supplement(s):	
• 2010 Balance Sheet	
• Appendix 1: Wrap Fee Program Brochure	

ADVISORY BUSINESS

Description of Business

United Capital Financial Advisers, LLC ("United Capital" or "United Capital Private Wealth Counseling") (formerly organized as United Capital Financial Advisers, Inc.) is an independent wealth counseling and investment advisory firm registered with the Securities and Exchange Commission ("SEC") under the Investment Advisers Act of 1940, as amended. United Capital's registration with the SEC became active on June 9, 2005. United Capital is a Delaware corporation with its principal offices located in Newport Beach, California, with regional offices and locations throughout the United States.

Principal Owners

United Capital's principal owner, and only individual or entity with over 25% ownership, is United Capital Financial Partners, Inc. ("UCFP"), a Delaware corporation with its principal office located in Newport Beach, California.

General Description of Services

United Capital provides wealth counseling and investment management services to its Clients based on each Client's individual needs and circumstances. Clients work with Investment Adviser Representatives ("IARs"), located in local regional offices of United Capital, to assess their individual financial needs, objectives and capacity for risk. Based on the IARs review and analysis, IARs assist with administering services desired by Clients.

There are three general ways that United Capital IARs help Clients meet their objectives:

1. Wealth Counseling & Investment Management: United Capital IARs conduct a risk assessment and analysis of Clients objectives through United Capital's wealth counseling & advice program, making appropriate recommendations on how to help Clients meet their financial needs. IARs then provide recommendations to Clients on how to allocate their investable assets ("Portfolio Construction"). With this service, IARs meet with Clients at least annually, and typically more frequently, to reassess their objectives and risk tolerance and make modifications to their recommendations as needed. In this situation, discretionary investment management is executed as described below.
2. Wealth Counseling, only: The wealth counseling & advice program offered by United Capital includes IARs assessing Clients financial needs and providing appropriate recommendations, but does not include discretionary investment management.
3. Investment Management, only: For Clients that choose to hire United Capital for investment management only, IARs work with Clients to assess their tolerance for risk and determinate suitable portfolio construction. Once an appropriate portfolio is constructed, the United Capital Investment Committee oversees the individual security selection and execution. See below for further detail about United Capital's investment management services.

General Description of Wealth Counseling & Advice Services

United Capital's wealth counseling & advice services generally include, but are not limited to the following (not all services are offered or applicable to all Clients):

- Financial goals review and analysis
- Portfolio construction (recommending appropriate investment strategies)
- Written financial plans; comprehensive to modular
- Asset allocation recommendations
- Investment Policy Statements and / or Executive Summaries
- Consolidated financial summaries

United Capital also offers modular planning services, designed to meet individual Client's specific needs. These services may include one or more of the following:

- Cash flow management

- Investment management recommendations for non-supervised assets (i.e. 401k's and 403b's)
- Retirement planning
- Insurance needs analysis
- Education planning
- Estate planning
- Tax planning

Certain Clients that are small businesses may require special needs analyses, planning, or business performance reviews or other services.

Clients may hire United Capital to provide wealth counseling & advice services on a one time basis or continually until canceled. When agreed-upon services are determined, a delivery of services form ("DOS") will be provided to the Client. For ongoing services, IARs meet with Clients no less than annually to monitor their risk profile and objectives, updating the advice provided to account for changes.

Although United Capital generally recommends long-term investment strategies, its IARs may recommend various short-term investment strategies to accommodate certain Client goals or objectives.

United Capital performs wealth counseling and advice services for Clients with varying needs and circumstances, which may differ from, or contradict with advice it or its IAR's may follow in the management of their own accounts.

General Description of Discretionary Investment Management Services

United Capital provides discretionary investment management services to its Clients using a variety of asset classes and investment vehicles that typically include mutual funds, exchange traded funds ("ETFs"), equity securities and fixed income securities. Client accounts are generally invested in strategies, with similar accounts invested in the same securities. Accounts are also managed at a custom level, with security selection varying from one client to another. United Capital IARs work with Clients to understand their risk tolerance and objectives and determine an appropriate asset portfolio construction. Once an appropriate portfolio is constructed, the United Capital Investment Committee oversees the individual security selection and execution.

The United Capital Investment Committee is comprised of a core voting group, along with sub-committees that report to the primary Investment Committee. Members of United Capital's Investment Committee are generally required to have both a high school and college education or equivalent experience. In addition, all personnel who provide investment advice are required to have financial, analytical or portfolio management experience, or to have passed the Uniform Investment Adviser Law Examination (Series 65 or Series 66), or other relevant qualifying examinations, or to have obtained a professional designation such as Chartered Financial Analyst or CERTIFIED FINANCIAL PLANNER™, or other valid educational backgrounds or designations as permitted by regulations. The Investment Committee uses Fundamental and/or Technical analysis to judge the merit of each specific investment where discretion is employed. Typically, Client assets are managed in set strategies, where multiple accounts are invested in the same securities at the same allocation. Client assets may also be managed on a custom and/or non-discretionary basis. All Clients have the ability to request reasonable restrictions on how their account is allocated, but United Capital may not be able to accommodate all restrictions based on specific mandates of particular strategies. If United Capital can not accommodate a requested restriction, the Client will be notified and given the option to withdraw their request, or work with their IAR to find an investment solution that meets their expectations.

Unless the Client specifically directs otherwise, the Client grants United Capital authority to:

- apply its discretion on the types of securities bought and sold, along with the percent allocation
- direct trades to the custodial agent
- reallocate the Client's portfolio to keep it in line with Clients investment goals and risk tolerance

- rebalance the Client's account periodically to conform to the asset allocation expectations of the individual account
- replace the custodial agent if deemed necessary
- select the broker-dealer for execution of securities transactions
- vote proxies on behalf of the Client
- act as the Client's agent and attorney-in-fact to receive prospectuses, periodic reports, transaction confirmations, proxy materials, Part II of the Sub-Manager Forms ADV, and other communications from issuers of securities, as applicable and
- deduct investment management fees directly from the Client's account

United Capital does not take custody of Client assets, outside of its authority to request the deduction and payment of agreed upon management fees from the Clients account.

Sub-Manager Limited Discretion

For certain strategies, United Capital outsources a portion of the investment section to independent professional asset managers, who are not affiliated with United Capital, that act as sub-advisers ("Sub-Manager") on a limited discretionary basis. The Sub-Managers responsibility varies and may include one or more of the following:

- use discretion to determine the types of securities bought and sold, along with the percent allocation
- applying their discretion on when to buy and sell
- applying their discretion on the timing of transactions.
- select the broker-dealer for execution of securities transactions, if appropriate
- vote proxies and
- take other portfolio management actions that United Capital deems appropriate

When a Sub-Manager is used, their activities are overseen by the United Capital Investment Committee.

United Capital may obtain a limited power of attorney from Clients invested with Sub-Managers. The limited power of attorney grants United Capital with the right to receive certain documents from the Sub-Manager on the Clients behalf, including but not limited to prospectuses, shareholder reports, proxies and Part 2 of Sub-Manager's Form ADV, and other documents. This limited power of attorney by the Client may be rescinded at any time by written notice to United Capital.

Upon request, United Capital will provide Clients with information about any Sub-Manager participating in the United Capital services. This information may be content provided by the Sub-Manager explaining their investment style, or an explanation created by United Capital. Additionally, United Capital will provide Clients with a copy of the Sub-Managers ADV Part 2 upon request.

Consulting Services

United Capital provides customized investment related consulting services to other investment advisers or broker-dealers. United Capital charges a fee for these services which is individually negotiated for each consultation. The advice offered through its consultation services may differ from advice provided to Clients who do not use its consulting services.

Hedge Funds

United Capital offers advice about investing in hedge funds and may advise certain Clients to include hedge fund investments in their portfolio. United Capital is not affiliated with any hedge funds, including those that it may recommend to certain Clients.

Insurance

United Capital offers advice on insurance and may advise certain Clients to include insurance as part of their portfolio and/or potentially advise on the sale of an insurance policy by using Life Settlements. While United Capital is affiliated with an insurance agency, United Capital Risk Management ("UCRM"), United Capital does not own, nor is it affiliated with any insurance company or insurance provider.

Tax Planning

As part of financial planning services offered to Clients, United Capital may refer Clients to third party, non-affiliated companies offering tax preparation services. United Capital may charge the Client a fee for its assistance with providing documents to the third party tax preparation company. United Capital does not provide tax advice to Clients.

Reasonable Restrictions, Pledging and Withdrawing Securities

Clients have the option to place reasonable restrictions on their wealth planning & advice services, discretionary investment management accounts, and on the financial planning analysis United Capital provides, including investments in specific securities or types of securities. Requests for such restrictions are reviewed by United Capital's Investment Committee, the Client's IAR, and/or any Sub-Managers to ensure they are reasonable and will not impair United Capital's ability to manage the account and/or to achieve the investment objectives and goals the Client selects.

Subject to the specific policies and procedures of the custodian for their account, Clients may pledge the securities in their account or withdraw the securities from their account (transfer in-kind to another account or custodian).

Securities Class Actions and Proofs of Claim

United Capital is not obligated to file, nor will it act in any legal capacity with respect to class action settlements or related proofs of claim. If requested by the Client, United Capital will do its best to provide the Client with the required documentation, if available.

Miscellaneous

In performing its services, United Capital does not independently verify any information it receives from Clients or from a Client's other professionals, it relies solely on the information that Clients and their authorized parties provide. The Client is free to accept or reject any recommendation made by United Capital. Moreover, each Client is advised that it remains the Client's responsibility to promptly notify United Capital if there is ever any change in the Client's financial situation or investment objectives so that United Capital, if necessary, can re-evaluate or revise any previous recommendations or services it made to the Client.

Investment Management: Wrap Fee versus Non-Wrap Fee Accounts

Clients are subject to two primary fees relating to the management of their account; an investment management fee which is charged as a percentage of the Client's assets under management and transaction costs charged by the broker or dealer executing the transactions in the Client's account. In certain instances Clients are assessed these fees separately (Non-Wrap), or in one combined fee (Wrap). The investment management agreement (or documented amendment to the agreement) that each Client executes displays whether the Client or United Capital pays the transaction costs. The fee paid to United Capital for Wrap Fee Accounts may be higher than the fees Non-Wrap Fee Accounts pay. United Capital does not manage Wrap Fee Accounts differently from the way it manages Non-Wrap Fee Accounts.

In addition to the investment management fee and the transaction costs, Clients may be subject to other fees. See the Fees and Compensation below for further detail.

Assets Under Management (as of 12/31/2010)

	Assets Under Management	Number of Accounts
Discretionary	\$3,625,059,841	14,195
Non-Discretionary	\$502,365,967	187
TOTAL	\$4,127,452,808	14,382

FEES AND COMPENSATION

Fees

Each Client will enter into an agreement that describes United Capital's services and fees ("Agreement"). Based on a needs analysis determined by the IAR and the Client, United Capital may include one or more of the services described above. The annual Wealth Counseling & Advice and/or Investment Management fee rate is negotiated with the Client based on the following fee schedule that serves as a general guideline. (see "Negotiated Fees" below for additional information)

ANNUAL BASELINE FEE SCHEDULE [3]			
TIER[2]	WEALTH COUNSELING & ADVICE ONLY[2]	INVESTMENT MANAGEMENT ONLY[1]	COMBINED SERVICES (INVESTMENT MANAGEMENT + WEALTH COUNSELING & ADVICE)[1]
\$0 TO \$249,999	50 BPS	175 BPS	225 BPS
\$250,000 TO \$499,999	50 BPS	150 BPS	200 BPS
\$500,000 TO \$999,999	30 BPS	125 BPS	155 BPS
\$1,000,000 TO \$2,000,000	20 BPS	110 BPS	130 BPS
GREATER THAN \$2,000,00	10 BPS	100 BPS	110 BPS

The following information applies to the above fee chart:

1. Sub-Manager, Manager or Manager Research Fees: Fees charged by any Sub-Managers or managers, or to cover manager research fees are in addition to the Baseline shown above and are paid directly by the Client through fee debits from the Client's custodial account. The fees paid to each Sub-Manager vary and are typically less than 0.75% annually.
2. The Client's total fee rate will be blended using these stepped rates.
3. "BPS" = Basis Points. A basis point is a unit of measure generally used in finance. One basis point is equivalent to 0.01% (1/100th of a percent) or 0.0001 in decimal form. Therefore, 50 bps would equal 0.5% (50/100^{ths} of a percent) or 0.005 in decimal form.

Negotiated Fees

The amount and method for calculating United Capital's Wealth Counseling & Advice and Investment Management fees referenced in the fee schedule are negotiated with the Client and confirmed in the Agreement or, if the schedule has been changed from the initial agreement that the Client signed, through supporting documentation.

United Capital considers a number of variables when analyzing the specific services to be provided to the Client and determining the appropriate fees for those services. Factors that determine fees include, but are not limited to:

- the Client's wealth counseling and investment needs
- the amount of investable assets
- the client's net worth
- the amount of time anticipated to be spent servicing the Client
- local regional office precedence based on historical fee rates charged to other similar Clients

The Client's IAR will determine the fees for service after carefully balancing the consultative and the implemented portion of the Client relationship. As a result, similar Clients may be charged different fees for similar services.

United Capital may also combine the assets from "related accounts" to reduce the combined fee rate charged to Clients. In doing so, United Capital reserves the right to determine whether Client accounts are

"related" for purposes of aggregation. The Client should be aware that there may be certain restrictions on the aggregation of investments for ERISA, trust, and IRA Client accounts.

United Capital has acquired certain Client relationships through various acquisitions. To accommodate such transitions, the fee United Capital is charging the Client may have been previously determined by prior investment adviser relationships established before the advisory relationship with United Capital. This may mean that some Clients may be paying higher or lower fees than United Capital's current fee schedule provided in this brochure based on such arrangements. Some Clients may have received reimbursement or credit for transfer fees associated with moving their accounts from one institution or custodian to another during a transition from another investment advisory firm. In some circumstances, United Capital may, where appropriate, absorb the costs or pay certain expenses related to the transfer of Client accounts. Payment for such expenses must be approved by an authorized officer or agent.

Terminated Accounts

If United Capital's discretionary management services are terminated by written notice by either party, any unearned pre-paid fees will be refunded to the Client on a pro-rata basis. United Capital will begin the process of removing itself from access to the account upon notification by or to the Client; however, a reasonable amount of time will be needed to liquidate and/or transfer assets, including required recordkeeping, and processing, subject to the rules and conditions imposed by mutual fund companies, stock exchanges, or securities issuers.

For those Clients using United Capital's Wealth Counseling & Advice services and Financial Planning services, United will conduct an analysis of services provided to determine if any fees have been earned or any portion should be refunded.

Wealth Counseling & Comprehensive Financial Planning Fees

Wealth counseling & advice and financial planning fees are generally based upon analysis of the Client's financial goals, event-driven needs, or more comprehensive advice, the terms of which are described in an agreement executed between United Capital and the Client.

The fees assessed are based on a number of criteria, including, but not limited to:

- investable assets / assets subject to the agreement
- Client net worth
- case complexity
- services provided / Client needs
- the amount of time spent and/or anticipated to be spent with the Client
- preparation work prior to engagement and
- customization and whether or not services were requested on an expedited basis.

Fees may be charged in a number of ways depending on the specific services being rendered, including:

- a flat fee
- an hourly rate
- a percentage of Clients total investable assets
- a percentage of the Clients total net worth and
- a percentage of the assets being managed by United Capital in Combination with the Investment Management fee.

The fees are negotiated between United Capital and the Client and are subject to certain minimums, as described in the agreement. Fees are payable either in advance or in arrears. Fee rates vary depending on the agreed upon services, and are typically in the following ranges:

- For goals based planning, United Capital uses the Advice fee schedule at the beginning of this section as a guideline for the fee rate charged to Clients. The fee rate is either charged as a

stand alone fee based on a percentage of the Client's total net worth, or as an additional percent of the assets that United Capital manages for the Client.

- For hourly rates: minimum of \$200 with a maximum of \$500 per hour; and
- For comprehensive financial planning: minimum of \$2,500 (fee may be significantly higher depending on the complexity and scope of the plan). Typically, 50% of the fee is due in advance, and the remainder is due upon delivery of the plan to the Client. Fees are negotiable.

Fees may be charged as a one-time advice fee or Clients may select an annual on-going service for which the fee rate remains the same until the Client and adviser mutually agree, in writing, to change the fee.

Specialty Financial Planning is available at a rate to be negotiated between the Client and their IAR. The specialty Financial Planning services can include advice on advanced planning issues such as:

- Estate Planning
- Executive Compensation
- Stock Options
- Pension Plan Options
- Insurance Analysis
- Income Tax Strategies
- other specialty issues as needed and appropriate for the individual Client

Client deliverables that include written financial plans or recommendations for implementation of advice will typically be completed within six (6) months from the date of the Clients execution of the Agreement. Clients will execute a DOS letter upon receipt of financial plans or advice recommendations as stipulated in the Agreement. Any exceptions must be approved by an authorized officer or agent of United Capital.

Advice and Financial Planning Fee Payments

Clients may pay by check, credit card, or provide United Capital with written authorization to debit an investment account on the Client's behalf.

The Advice & Financial Planning Agreement, unless otherwise stated, is for a period of one year. After the term is up, the agreement will be terminated unless renewed by the Client. Within five (5) business days of the execution of an Agreement, a Client may terminate the Agreement without penalty or cost. Thereafter, collected but unearned fees may be refunded on a pro-rata basis, and, under certain circumstances, the refund may be negotiated between the Client and United Capital. Among other factors, the amount of the refund may depend on the amount of work that has already been completed or the amount of time elapsed since the Client executed the Agreement.

Investment Management Fees

United Capital charges its Clients an annual management fee based on an agreed upon percentage of the Client's assets under management. These investment management fees are payable quarterly. The method for billing these fees may vary based on the local regional offices historical method and is agreed upon under the terms of the Agreement, or supporting documentation if there were changes made after the Client signed the management agreement.

United Capital typically bills its investment management fees in advanced based on the value of the assets in the Client's account at the end of the previous quarter. In certain situations, United Capital may bill fees in arrears, based on average daily balance of the account during the prior quarter, rather than in advance, or other methods, as agreed upon in the Agreement.

For new accounts and for new assets added after the start of a quarter, accounts will either be billed when the assets are available to be managed by United Capital, or in arrears, after the end of the quarter. United Capital typically does not charge a pro-rated amount for new money, less than \$10,000, added during a quarter.

United Capital's annual investment management fee includes fees for the following services: mutual fund and sub-manager performance review, selection, monitoring and replacement, and related services.

There are certain fees and expenses that Clients may incur, typically charged by the custodian, which are not included as part of the annual fees for investment management services charged by United Capital. The investment management fee does not include sub-manager fees. In addition, national securities exchange fees; charges for transactions with respect to assets not executed through the custodian; short term redemption fees; odd-lot differentials; American Depositary Receipt fees; costs associated with exchanging currencies; or other fees required by law may be charged to the Client. Administrative fees for retirement accounts and any platform (technology) fees are paid directly by the Client, unless other arrangements have been made. Additionally, the Client will be charged for non-standard service fees incurred as a result of any special requests made by the Client, such as overnight courier or wiring fees. Wealth Counseling & Advice Services and Financial Planning fees, along with Initial Consultation Fees may be charged in addition to investment management fees.

United Capital imposes a minimum account size of \$100,000 and, in the case of sub-managed assets the sub-managers may impose their own minimum requirements. Any exceptions to account minimums are considered accepted by United Capital once the management of Client assets begins. United Capital reserves the right to terminate any account falling below its stated minimum.

United Capital's responsibility for advising Client accounts begins at the earlier of the "Effective Date" agreed to in the Agreement, or the date when the Client's assets (cash and/or securities) have been credited to the Client's account at the custodian and sub-custodian, if applicable. However, in no event shall fees begin accruing prior to the date the Client signs the Agreement.

United Capital reserves the right to amend its fee schedules at any time.

Clients should be aware that the fees charged by United Capital may be higher or lower than those charged by others in the industry and that it may be possible to obtain the same or similar services from other advisers at lower or higher rates.

Clients should also be aware that Investment Professionals ("IPs") not affiliated with United Capital recommending these advisory services may receive compensation as a result of Clients' contracting with United Capital for these services. The IP recommending these services may, therefore, have a financial incentive to recommend that a Client use United Capital's services over the services of other investment advisers. In certain instances, where Clients are referred to United Capital by an IP not affiliated, the fee rate charged to Clients may be negotiated and different than the fee rate charged if the client were referred by an affiliated IP. In no instance will the negotiated fee rate be higher than the Annual Baseline Fee Schedule noted in the beginning of this section.

Investment Management Fee Payment

For United Capital's discretionary management services, United Capital sends the custodian an invoice for quarterly fee debits, or Clients submit payment by check. Clients will receive a quarterly statement from the custodian showing the amount of management fees that have been debited from their account. By signing the United Capital Investment Management Agreement ("IMA"), Clients are authorizing the debit of both the initial pro-rata fee and on-going quarterly fees.

Mutual Fund and ETF Fees and Expenses

The mutual funds selected for inclusion in Client accounts United Capital manages on a discretionary basis are either no-load funds or load-waived mutual funds.

All mutual funds and ETFs pay management fees to their investment advisers, and certain funds and money-market accounts have other types of fees or charges, including 12b-1, administrative or shareholder servicing fees, early redemption, bank servicing or certain other fees, which may be deducted from the net asset value of the funds that may be held in Client accounts on a continuing basis. These fees are routinely born by all fund or security shareholders or owners and are separate from and in addition to United Capital's management fees.

Other Fees

For custodial services, United Capital utilizes the services of a number of firms to meet its Clients' needs. Custodial costs (for transactions executed through the custodian's broker-dealer) may be paid by the Client or by United Capital as negotiated and stated in the Agreement. These custodial and brokerage/transaction costs include custodial and clearing agent services for Client accounts, maintenance of portfolio accounting systems, preparation and mailing of Client statements, account processing, systematic withdrawals, redemptions, retirement account custodial services (except for the retirement account termination fee), maintenance of a Client inquiry system, as well as execution of securities transactions in the Clients account. Additionally, a Regulatory Fee is charged by the Securities and Exchange Commission (SEC) to sellers of securities that are traded on stock exchanges and subsequently assessed to Clients. These fees are from Section 31(b) of the 1934 Securities Exchange Act and are designed to recover the costs associated with the government's supervision and regulation of the securities markets and securities professionals.

Hedge Fund Advice Services and Associated Fees

The United Capital Hedge Fund Advice Service is a referral service whereby United Capital may use the services of a third party broker-dealer for Client investments in certain hedge funds. United Capital receives no cash or non-cash compensation for the referral. Nor does United Capital pay a cash or non-cash payment to the third party hedge fund provider. Compensation is received by United Capital through the Hedge Fund Advice Fees paid to United Capital by the Client. The fee paid by the Client for the United Capital Hedge Fund Advice Service is 1.5% of the amount of assets the Client has under management with the third party hedge fund platform and is paid quarterly in advance on the account's value on the last business day of the preceding calendar quarter. The fee is negotiable. The hedge fund platform provider may receive from the fund compensation through platform fees, management fees, and or revenue in relation to acting as an introducing broker for certain platform funds.

Initial Consulting Fee

New Clients may be charged an Initial Consulting Fee ("ICF"). The ICF is a fee negotiated between the United Capital IAR and the Client of 0% to 1.5% of the Client's assets being advised by the IAR. The ICF covers the potentially significant amount of initial work completed by United Capital and its IAR's. Initial work may include gathering information about the Clients historical investments and financial circumstances, helping Clients to complete required custodial and other third party paperwork, as well as other efforts that may be needed for new clients. The ICF is charged up-front for new Clients, at the inception of the Client relationship. The fee will either be deducted from the Client's account or paid by check or other means, as the Client decides. The agreed upon fee will be noted on the IIMA and/or the Advice & Financial Planning Agreement.

Outside Activities of IAR's

Certain IARs of United Capital may be registered with a broker-dealer not affiliated with United Capital, as an outside business activity. These IARs, in their capacity as a registered representative of an unaffiliated broker-dealer, may perform securities transactions on a Client's behalf, if requested to do so by the Client, and receive a commission for the transactions. In these circumstances, Clients are under no obligation to effect securities transactions through the IAR's associated broker-dealer. Because of the potential for the IAR to generate a commission in addition to fees charged by United Capital, the IAR may have an

incentive to recommend investment products based on the compensation received, rather than the Client's needs.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

United Capital does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a Client).

TYPES OF CLIENT'S

United Capital generally provides wealth counseling & advice, financial planning and portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, corporations, charitable institutions, foundations and endowments.

Minimum Account Size

Generally, United Capital's discretionary investment management services are available for accounts with a minimum asset value of at least \$100,000 and for advice and financial planning, a minimum asset level of \$250,000 is recommended. The IAR may from time to time make exceptions the minimums, as the IAR deems appropriate. Account minimums are reviewed periodically and are subject to change. Upon giving notice to United Capital, Clients may make additions to or withdrawals from their investment management accounts. If at any time the Client's account is less than the minimum account size designated, the discretionary investment management services agreement may be subject to termination by United Capital after formal written notice is provided to the Client.

United Capital's investment strategies are designed as long-term investment vehicles and asset withdrawals may impede the achievement of a Client's investment objectives or goals.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis

United Capital's Investment Committee is responsible for analyzing the specific securities that Clients assets are invested in as well as determining which sub-managers to use. The Investment Committee has other supervised persons of United Capital as well as non-affiliated investment professionals participate and contribute to Investment Committee meetings by performing analysis and research projects. The non-affiliated professionals typically have specific expertise, including domestic and international micro and macro economic matters, technical market analysis, and other areas that United Capital believes outside experts would offer a perspective beneficial to how it applies discretion on the management of Client accounts. The Investment Committee regularly reviews the implementation and performance of all investment strategies and sub-managers, along with any relevant current financial information.

When evaluating the capital markets and investment landscape, the committee considers a number of factors. The process starts with a global macroeconomic view, which drives United Capital's broader asset allocation decisions. Additionally, the committee uses fundamental and technical valuation analysis to evaluate securities positions.

Risk and Tax Disclosure

Investing in securities involves risk of loss that Clients should be prepared to bear. Investment performance can never be predicted or guaranteed and the value of a Client account or portfolio holding will fluctuate due to market conditions and other factors. For all discretionarily accounts United Capital manages, there is a risk that the investments selected will underperform comparable indices.

Certain strategies that United Capital may implement may exhibit high turnover, which might have certain negative implications, including but not limited to reduced investment performance versus comparable indices, additional brokerage and transaction costs, and may create additional tax liability for Clients.

To implement investment advice, if a Client's account initially contains securities invested of cash?, all or a portion of the Client's securities may be sold either at the initiation of, or during, the course of management of their account. United Capital is not responsible for market risk that may result in losses to a Client's account during the in-kind transfer of securities from one institution to another. The Client is responsible for any tax liabilities arising from such transactions and is encouraged to seek the advice of a qualified tax professional. United Capital, its affiliates and associated persons do not provide tax or legal advice for services it provides to Clients.

DISCIPLINARY INFORMATION

Investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to Clients evaluation of United Capital or the integrity of United Capital's management. United Capital has no reportable disciplinary information.

OTHER FINANCIAL INDUSTRY ACTIVITY AND AFFILIATIONS

Certain IARs of United Capital may be licensed with a broker-dealer not affiliated with United Capital. These IARs may perform securities transactions on a Client's behalf, if requested to do so by the Client, and receive a commission for the transactions. In these circumstances, Clients are under no obligation to effect securities transactions through the IAR's associated broker-dealer. Because of the potential for the IAR to generate a commission in addition to fees charged by United Capital, the IAR may have an incentive to recommend investment products based on the compensation received, rather than on the Clients needs.

United Capital Affiliations

United Capital Risk Management ("UCRM"), an insurance agency located in Ft Lauderdale, Florida registered with various state insurance divisions, is a wholly owned subsidiary of United Capital. Certain IARs of United Capital may affiliate with UCRM to offer fixed insurance products to Clients and prospects.

PFE Advisors, Inc. (d/b/a The PFE Group), a pension consulting firm located in suburban Boston, Massachusetts and registered as an investment adviser with the Securities and Exchange Commission, is a wholly owned subsidiary of UCFP. The PFE Group provides pension consulting services to its Clients as well as other non-advisory services such as educational workshops and employee benefit communications. The PFE Group and United Capital have referral arrangements whereby pension or profit sharing institutional Clients of United Capital may be referred to The PFE Group, and plan participants in pension and consulting plans of The PFE Group may be referred to United Capital for individual advisory services. No compensation is paid to United Capital or The PFE Group for such referrals.

Affiliated Persons Activities

Certain employees of United Capital may serve as trustee on accounts ("trustee") that are not Client accounts of United Capital. With respect to trustee accounts, United Capital does not have any explicit authority to direct the investment of assets, or have the ability to take custody or possession of the assets. Where a United Capital employee provides investment advice for trustee accounts, such advice is not provided through United Capital.

CODE OF ETHICS

United Capital has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its Clients. The Code of Ethics includes provisions relating to the confidentiality of Client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at United Capital must acknowledge the terms of the Code of Ethics annually, or as amended.

Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as Clients, there is a possibility that employees might benefit from market activity by a Client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between United Capital and its Clients.

United Capital's Clients or prospective Clients may request a copy of its Code of Ethics by calling 949-999-8500, or writing to United Capital at 500 Newport Center Drive, Second Floor, Newport Beach, CA 92660.

It is United Capital's policy that the firm will not broker any principal or agency cross securities transactions for Client accounts. United Capital will also not broker trades between Client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory Client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another Client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory Client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

United Capital may refer certain Clients, on a case-by-case basis, to alternative investments, including hedge funds. United Capital's CEO is related to the fund manager for one of the funds that it has referred Clients who have invested in the fund and the CEO and his family members are limited partner investors in that fund. United Capital may refer Clients in the future to this fund, as it deems appropriate based on individual Clients needs and circumstances. When referring Clients to this fund, United Capital has Clients sign a disclosure form explaining this conflict of interest.

When investing its own corporate funds, United Capital, or its parent or affiliates, primarily use fixed-income deposits or money-market funds and does not invest in the same securities as Clients or have its own proprietary account(s) at United Capital.

Certain employees may have accounts at United Capital and/or may be invested in the same securities that are recommended to Clients or held in Client portfolios. Employees may also hold securities or trade for their own accounts contrary to advice provided to Clients, based on individual needs and circumstances of the employees. If employees have hired United Capital to manage their accounts on a discretionary basis, those accounts are traded along with other Client accounts without any special treatment.

BROKERAGE PRACTICES

Soft Dollars

As a standard industry practice, United Capital receives products and services from firms providing custodial services that benefit United Capital but may not benefit all United Capital Clients. These services are typically offered to all investment advisers working with the custodian and do not have a specific cost tied to the benefit. Some of these products and services assist United Capital in managing and administering Client accounts. These include software and other technology that provide access to Client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple Client accounts); provide research, pricing information and other market data; facilitate payment of United Capital fees from its Client accounts; and assist with back office functions, recordkeeping and Client reporting. Many of these services generally may be used to service all or a substantial number of United Capital's accounts.

Third party service providers may also make available to United Capital other services intended to help United Capital manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, third parties service providers may arrange and/or pay for these types of services rendered to United Capital by independent third parties. The third party service providers may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of other third party providing these services to United Capital. United Capital typically does not enter into agreements where a service provider agrees to pay for services of a third party vendor, but may in limited instances inherit relationships which include a soft dollar arrangement. It is United Capital's policy to wind down any relationships of this nature as soon as practicable.

Third party service providers may also refer Clients (see Schwab Advisor Network Client Referrals below) or adviser partner candidates to United Capital.

While as a fiduciary, United Capital endeavors to act in its Clients' best interests, United Capital's recommendation that Clients maintain their assets in accounts at a particular custodian may be based in part on the benefit to United Capital of the availability of some of the foregoing products and services and not solely on the nature, cost, or quality of custody and brokerage services provided, which may benefit United Capital more than individual Clients. United Capital may have an incentive to select or recommend a broker-dealer based on its interest in receiving these benefits, rather than the Clients interest in receiving the most favorable execution. It's possible that Clients would pay lower commission by using a broker-dealer that does not provide any benefit to United Capital.

Execution/Directed Brokerage

Trading for discretionary investment management agreements is directed by and is the responsibility of United Capital. United Capital determines the securities to be bought or sold, the price, the timing, and the selection of broker-dealer it believes is capable of providing best execution of Client transactions. United Capital's portfolio managers will generally direct transactions to United Capital designated broker-dealers based on their execution capabilities. The Client acknowledges that the use of a designated broker may or may not always allow United Capital and/or Sub-Managers to obtain best price and execution of portfolio transactions than could have been obtained outside a directed brokerage arrangement. Transactions in Client accounts for certain asset classes supervised by a Sub-Manager may be directed to broker-dealers that the Sub-Manager believes are capable of providing better execution of Client orders. While United Capital believes the broker-dealer it has selected will provide best execution and services, it is possible that better execution may be obtained through another broker-dealer. Clients should be aware that the directed brokerage arrangement through broker-dealers United Capital selects may be viewed as an incentive for United Capital to utilize that broker-dealer regardless of execution quality in order to avoid incurring the charges that may accompany trading with other broker-dealers.

Transactions for each Client account generally will be effected independently, unless United Capital decides to purchase or sell the same securities for several Clients at approximately the same time. United Capital may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among United Capital's Clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among United Capital's Clients in proportion to the purchase and sale orders placed for each Client account on any given day. To the extent that United Capital determines to aggregate Client orders for the purchase or sale of securities, including securities in which United Capital's associated person(s) may invest, United Capital shall generally do so in accordance with the parameters set forth in SEC No-Action Letter, *SMC Capital, Inc.* United Capital shall not receive any additional compensation or remuneration as a result of the aggregation.

The Client may direct United Capital to use a particular broker-dealer (subject to United Capital's right to decline and/or terminate the engagement) to execute some or all transactions for the Client's account. In such event, the Client will negotiate terms and arrangements for the account with that broker-dealer, and United Capital will not seek better execution services or prices from other broker-dealers or be able to "batch" the Client's transactions for execution through other broker-dealers with orders for other accounts managed by United Capital. As a result, Client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. In the event that transactions for Client accounts are effected through a broker-dealer that refers investment management Clients to United Capital, the potential for conflict of interest may arise.

Consistent with obtaining best execution, transactions for a Client's account may be effected through broker-dealers in return for research products and/or services which assist United Capital in its investment decision making process. Such research generally will be used to service all of United Capital's Clients (including accounts that may not generate commissions used to pay for investment research), but brokerage commissions paid by a Client may be used to pay for research that is not used in managing the Client's account. The account may pay a broker-dealer a commission greater than another qualified broker-dealer might charge to effect the same transaction where United Capital determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received.

REVIEW OF ACCOUNTS

Review of Investment Management Accounts

United Capital administrative and management personnel and its Investment Committee members periodically and continuously monitor Client accounts for which it exercises discretionary investment management to identify situations that may warrant either a detailed review or specific action on behalf of a Client. Such reviews may include, but are not limited to, performance, suitability, inactivity, high concentrations in individual securities, or a change in the Client's account information or financial situation. United Capital's Investment Committee will review accounts with respect to issues such as sub-manager performance results, the need for rebalancing or a change in sub-managers. Annual or more frequent reviews are conducted with the Client and their IAR to discuss changes in the Client's investment objectives, risk tolerance and changes to, or new reasonable restrictions on the management of their investments. Clients are asked to either meet in person or by telephone conference at which time their financial situation, condition, or investment objectives or goals are reviewed.

Rebalancing

United Capital will, periodically, rebalance the discretionary investment management account holdings within a Client's account. Generally, United Capital monitors the need for rebalancing at least quarterly. The primary goal is to ensure that the market value of the investments in each asset class remains closely aligned with the percentage of the total market value of the entire Client account as determined by the asset allocation model or parameters selected by the Client, within a reasonable tolerance level. In its sole discretion, United Capital may change the allocations among the various asset classes on a periodic basis.

Client Custodial Statements

Each Client with a discretionary investment management agreement receives an account statement from the custodian at least quarterly. The statement provides detailed information including: transactions, fee debits, and other activity during the period, securities positions and money fund positions and their end-of-period fair market values. Year-end summaries of realized gains and losses (IRS Schedule D information), and dividends and interest received (IRS 1099-INT and 1099-DIV) are mailed by the custodial agent to all Clients with taxable accounts.

Performance Reporting

In addition to the custodial reports provided to Clients, an account performance report may also be provided quarterly or at other times. The portfolio performance reports may provide realized gains or losses during the period, securities and money fund positions and their end-of-period market values, and personal investment performance.

Financial Planning

Comprehensive Financial Plans are prepared for Clients who have retained United Capital for this purpose. Upon completion of the plan, a United Capital IAR will meet with the Client to review the plan and answer any questions the Client may have about the contents of the plan.

CLIENT REFERRALS AND OTHER COMPENSATION

Continuing Education & Product Training

From time-to-time, United Capital organizes educational and training meetings for its associated persons. Certain product providers, non-affiliated managers and vendors are permitted to make presentations to its associated persons. The presentations may or may not provide continuing education credits, such as for insurance licensing. These third parties may contribute to the cost of putting on these sessions at hotels or other meeting facilities.

Soft Dollars and Other Benefits

United Capital may receive additional benefits from third parties. See additional disclosures relating to Soft Dollars in Section 12.

Client Referrals

United Capital's discretionary investment management division receives Clients primarily through referral from its IAR's, who are affiliated persons.

United Capital also works with different affinity groups to market its services to their members. When working with affinity groups, United Capital may pay the group for access to their members, but no payment is made to these groups based on a percent of the fees earned by United Capital from its members.

United Capital also receives referrals from third parties that are not affiliated with United Capital. The third parties may be paid a flat fee for referrals, or a percentage of the fees that the Client pays to United Capital. In these situations, a Joint Marketing and Selling Agreement is executed between United Capital and the third party. The third party will also provide a Solicitor's Separate Written Disclosure Statement to the Clients at the time of the solicitation or referral disclosing the nature of the relationship with United Capital and the amount of referral fees paid.

Schwab Advisor Network Client Referrals

United Capital also receives Client referrals from Charles Schwab & Co., Inc. ("Schwab") through the Schwab Advisor Network® ("the Service"). Schwab is an unaffiliated independent broker-dealer and has no supervisory or any other responsibilities for United Capital's management of Clients' portfolios or other advisory services. United Capital pays Schwab a Participation Fee on all referred Client accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee is a percentage of the fees the Client pays to United Capital or a percentage of the value of the assets in the Clients' United Capital account, subject to a minimum Participation Fee and continues for as long as the referred Client account remains in custody at Schwab. The Participation Fee is paid quarterly by United Capital, not the Client, and may be increased, decreased or waived by Schwab from time to time. Clients referred to United Capital through the Service

do not pay fees or have costs that are greater than the fees or costs charged to United Capital Clients with similar advisory services who were not referred through the Service.

CUSTODY

United Capital as a practice does not take custody of Client assets, outside of its authority to request the deduction and payment of agreed upon management fees from the Clients account.

Clients will receive statements at least quarterly from the broker-dealer, bank or other qualified custodian that holds and maintains Clients investment assets. United Capital urges its Clients to carefully review such statements for accuracy.

United Capital may provide Clients with a report, or document displaying the performance of their account, or specific holdings. United Capital's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Clients are urged to rely on the statement from the custodian for the most accurate information

INVESTMENT DISCRETION

At the onset of the relationship, Clients agree to provide United Capital with investment discretion for the securities to be bought and sold, including the quantity and timing, as indicated in an executed investment management agreement. United Capital's IARs work with each Client to understand their objectives, including any reasonable restrictions on the management of their investments. When selecting securities and determining amounts, United Capital observes the investment objectives, limitations and restrictions of the Clients it advises.

VOTING CLIENT SECURITIES

Proxy Voting

Unless directed otherwise, by signing the discretionary investment management service's IMA, the Client has appointed United Capital as its agent and attorney-in-fact to vote proxies presented by the issuers of any securities held in Client accounts.

United Capital in its sole discretion may delegate proxy voting to third parties, including a proxy-voting service or the Sub-Managers for securities held in Client accounts in the specific asset class they are sub-advising. The Client authorizes United Capital, and any third party to which United Capital has delegated proxy voting, to receive all shareholder communications related to such proxy voting distributed by the issuers of such securities. United Capital may stop using the services of third party voting services at its sole discretion. If Clients would like to elect how to vote a proxy for a specific issue or for all of their securities managed by United Capital, they should contact their local IAR, or call United Capital at 949.999.8500 during regular business hours and ask for the Investment Management Department or write to United Capital, Investment Management Department, 500 Newport Center Drive, Second Floor, Newport Beach, CA, 92660.

If United Capital is not voting proxies for the Client, the Client maintains exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the Client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the Clients investment assets.

United Capital's Proxy Voting Policies is summarized below. To receive a copy of United Capital's Proxy Voting Policy and Procedures or to find out how United Capital or its designee, if any, voted specific Client securities, Clients should call United Capital at 949.999.8500 during regular business hours and ask for the Investment Management Department or write to United Capital, Investment Management Department, 500 Newport Center Drive, Second Floor, Newport Beach, CA, 92660.

Proxy Voting Policy Summary

United Capital has adopted Proxy Voting Policies and Procedures ("Procedures") that are designed to fulfill its duties of care and diligence to its Clients. These Procedures are designed to ensure that Client securities are voted in the best interests of United Capital's Clients and address material conflicts that may arise between United Capital's interests and those of its Clients. While United Capital's primary policy is to "vote along with management" through the use of a third party Proxy voting service, there are certain instances where additional analysis and review of a particular vote may be needed. The Procedures contain guidelines that focus on the best interests of the Clients, including a general cost/benefit assessment for such proposed proxy-voting items as board composition, executive and director compensation, capital structure, and shareholder rights. If a material conflict of interest exists, United Capital's Investment Committee will determine whether it is appropriate to disclose the conflict to the affected Clients, to give the Clients an opportunity to vote proxies themselves, or to address the voting issue through other objective means, such as voting in a manner consistent with pre-determined voting policy or receiving an independent third-party voting recommendation. United Capital is not obligated to vote every proxy; there may be instances when refraining from voting is in the best interests of the Client. United Capital may vote securities differently for different Clients and may use a proxy voting service or delegate the proxy voting to Sub-Managers.

FINANCIAL INFORMATION

This item is meant to provide certain financial information or disclosures about United Capital's financial condition. United Capital 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.

A copy of United Capital's balance sheet for its most recent fiscal year can be found in the accompanying pages.



UNITED CAPITAL FINANCIAL ADVISERS, LLC

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2010 and 2009



UNITED CAPITAL FINANCIAL ADVISERS, LLC

TABLE OF CONTENTS

Independent Auditor's Report	Page 1
Consolidated Statements of Financial Condition	Page 2

INDEPENDENT AUDITOR'S REPORT

To the Members of
United Capital Financial Advisers, LLC

We have audited the accompanying consolidated statements of financial condition of United Capital Financial Advisers, LLC (the "Company") as of December 31, 2010 and 2009. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated statements of financial condition are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated statements of financial condition, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated statements of financial condition referred to above present fairly, in all material respects, the financial position of United Capital Financial Advisers, LLC as of December 31, 2010 and 2009 in conformity with accounting principles generally accepted in the United States of America.

Odenberg Ullakko Muranishi & Co LLP

San Francisco, California
March 31, 2011

UNITED CAPITAL FINANCIAL ADVISERS, LLC
CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

	DECEMBER 31	
	2010	2009
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 2,764,252	\$ 1,333,370
Accounts receivable	884,261	2,190,141
Advances to Managing Directors	-	525,234
Due from product companies	210,838	177,480
Prepaid expenses and other current assets	825,943	550,902
Total current assets	4,685,294	4,777,127
Non-current assets:		
Note receivable	461,017	152,505
Fixed assets, net	769,375	727,438
Intangible assets, net	39,497,500	28,622,780
Goodwill	15,040,945	10,954,417
Other assets	126,752	115,524
Total non-current assets	55,895,589	40,572,664
TOTAL ASSETS	\$ 60,580,883	\$ 45,349,791
<u>LIABILITIES AND MEMBERS' CAPITAL (DEFICIT)</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 6,041,679	\$ 2,700,853
Payable to Managing Directors	152,784	-
Current portion of subordinated notes payable	2,222,619	2,761,375
Interest payable	785,182	804,377
Total current liabilities	9,202,264	6,266,605
Non-current liabilities		
Subordinated notes payable	5,437,983	4,056,400
Subordinated convertible notes payable, net	11,589,406	13,272,607
Payable to related parties	26,901,398	22,978,278
Contingent Consideration - Acquisitions	7,205,544	-
Total non-current liabilities	51,134,331	40,307,285
TOTAL LIABILITIES	60,336,595	46,573,890
MEMBERS' CAPITAL (DEFICIT):		
Preferred shares	3,772,750	843,750
Common shares	(3,528,462)	(2,067,849)
TOTAL MEMBERS' CAPITAL (DEFICIT)	244,288	(1,224,099)
TOTAL LIABILITIES AND MEMBERS' CAPITAL	\$ 60,580,883	\$ 45,349,791

PRIVACY NOTICE

OUR PRIVACY POLICY. In providing financial services and products to you, United Capital Financial Advisers, LLC collects certain nonpublic personal information about you. Our policy is to keep this information strictly safeguarded and confidential, and to use or disclose it only as necessary to provide our services or products to you, or as permitted by law. Our privacy policy applies equally to our former clients and customers. Protecting your privacy is important to us.

INFORMATION WE COLLECT. "Nonpublic personal information" is personally identifiable financial information about you as an individual or your family. The nonpublic personal information we collect includes the information you give us when you open an account with us or when we discuss your account with you, such as your name, address, telephone number, your employment, family, and personal financial situation and your investment objectives. We also have information about your investment account assets and transactions, including your holdings and transactions in fund shares, the brokerages, and custodial arrangements for your account and your relationship with your Investment Professional.

INFORMATION WE DISCLOSE. We disclose nonpublic personal information about you only as permitted by law or authorized by you to our affiliates, or to third parties that we hire to help us provide our products and services to you, such as custodians, broker/dealers, and administrative or marketing service providers.

HOW WE SAFEGUARD YOUR INFORMATION. We limit access to your nonpublic personal information to those persons who need to know it or who are permitted by law to receive it. We maintain physical, electronic, and procedural safeguards to protect the confidentiality of your information.

WHEN WE WILL NOTIFY YOU. If you are a current customer, we will send an annual Privacy Policy notice to you. If you no longer have a customer relationship with us, we will continue to follow our Privacy Policy and practices, but you will not receive future notices from us.

CHANGE IN PRIVACY POLICY. We reserve the right to modify or supplement our Privacy Policy at any time. If we make material changes, we will provide current customers with a revised notice that describes our new practices.

If you have any questions regarding our Privacy Policy, please contact our Compliance officer at 1-949-999-8500

500 Newport Center Drive, Second Floor, Newport Beach, CA 92660
Phone 949-999-8500 Fax 949-999-8545