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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. In addition, United Capital’s client analysis process starts at www.honestconversations.com with the Money Mind™ Analyzer.

ITEM 2:

Material Changes

This section of the ADV Part 2A brochure is meant to describe any material changes relating to United Capital that client's should be aware of.

We do not have any material changes to report at this time.

Pursuant to 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, if any do arise in the future. We may further provide other ongoing disclosure information about material changes as necessary. We will provide you with a new Brochure as necessary based on changes to our business or the services provided to you, or if there is new important information to inform you about, 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 notice filed, or are required to be notice filed, as investment adviser representatives of United Capital.

ITEM 3:

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ITEM 4:

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 office located in Newport Beach, California, with regional offices and locations throughout the United States. Regional offices of United Capital may represent themselves through various names including United Capital, United Capital Private Wealth Counseling, or United Capital followed by a regional location. Additionally, certain offices may use a different name followed by "a division of United Capital Financial Advisers".

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. United Capital's client analysis process typically starts at www.honestconversations.com with the Money Mind™ Analyzer.

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 to recommend and make modifications to their investments 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 investment management.
3. Investment Management, only: For Clients choosing 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; from modular to comprehensive plans
- Asset allocation recommendations
- Investment Policy Statements and / or Executive Summaries

- Consolidated financial summaries

When providing a consolidated financial summary of accounts to Clients, data included may contain information about accounts that United Capital does not manage or advise the Client. As such, no inference should be drawn that United Capital is the adviser on all securities listed on these consolidated financial summaries and Clients may not be receiving any level of review or investment advice on securities that are not under United Capital's supervision.

United Capital offers modular planning services designed to meet individual Clients' 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
- Divorce 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 delivered, 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. Meetings may occur in person or remotely by telephone or webinar.

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 Investment Management Services

United Capital provides 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. Certain IARs are appointed with the authority to exercise discretion over the individual security selection. When appointed with this authority, the IAR reports directly to United Capital's Investment Committee.

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 cannot 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 2 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 Client's account.

Sub-Manager Limited Discretion

For certain strategies, United Capital outsources a portion of the investment selection 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 authorities to:

- use discretion to determine the types of securities bought and sold, along with the percent allocation
- apply their discretion on when to buy and sell
- apply 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 through 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, privacy notices, 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 may provide customized investment-related consulting services to other investment advisers and/or to broker-dealers. When providing these services, United Capital charges a fee which is individually negotiated for each consultation. The advice offered through its consultation services may differ from advice provided to Client's who do not use its consulting services.

Individual Retirement Plan Wealth Services

United Capital provides a distinct service offering to client's that are preparing for retirement through its Individual Retirement Plan Wealth Services platform. This service may be referred to by different internal names, including but not limited to "The Wealth Blueprint". This offering is appropriate for individuals preparing for retirement and comprised of two components. The first component is designed to assist pre-retirees with the management of their retirement plan assets through United Capital's discretionary management of the client's retirement plan assets. The second component is designed to offer advice limited to the goal of providing the individual with information to help meet their retirement goals.

The investment management component of this service utilizes strategic asset allocation, with a long term outlook. United Capital's investment committee chooses investment vehicles that provide what the firm believes to be adequate market exposure, and offers various stock versus bond allocation blends based on the Client's risk tolerance and objectives. After making initial purchases, the investment committee will periodically rebalance the portfolio and make changes to the holdings as it believes appropriate.

The advice component is a basic offering to try to help the client answer a simple question, "are you on track to retire?" The client's IAR will have the client complete a questionnaire to help provide clarity on this question.

The Individual Retirement Plan Wealth Services is a scaled down offering as compared to United Capital's standard advice and investment management services. The fee for this service is negotiated individually with each client and is generally less than United Capital's standard wealth services fee (see the Fees and Compensation section below).

United Capital Retirement Advisers & Employer Sponsored Retirement Plan Consulting Services

United Capital provides consultation services to employer sponsored retirement plans, including pension, 401(k), and profit sharing plans, with a broad range of comprehensive consulting services, including:

- (1) retirement plan design and communications,
- (2) retirement plan service provider search,
- (3) retirement plan investment advisory services, including: investment analysis, selection, implementation, and ongoing monitoring of plan investments, and
- (4) financial and retirement education.

When providing these services, the firm does so under its primary business name or under the DBA "United Capital Retirement Advisers," or one of the firm's other DBA's (United Capital or United Capital Private Wealth Counseling).

When United Capital is hired to conduct a comprehensive vendor search for an employer-sponsored retirement plan, this generally includes the evaluation and comparison of several third party service providers such as plan record-keepers, actuaries, auditors and registered broker-dealers (to provide brokerage, clearing, custodial, and administrative services to the Client). Upon conclusion of United Capital's vendor search, United Capital, generally, may recommend that the Client engage the services of one or more third party service providers, which may include broker-dealers (to handle securities transactions).

In order for United Capital to provide Clients with proper advice, it is strongly recommended that Clients only implement United Capital's investment management recommendations after the Client has arranged

for and furnished United Capital with all necessary information and authorizations about accounts held at other financial institutions. These financial institutions include any broker-dealer that United Capital recommends, broker-dealers selected by the Client, trust companies, banks, etc. (collectively referred to herein as the "*Financial Institutions(s)*").

When working with employer sponsored plans, United Capital may also be engaged by its Clients to provide non-personalized investment-related plan implementation and educational services. These services generally address issues involving employee participation in an employer-sponsored retirement plan but may include additional topics of broader concern, such as benefits summaries or general financial education workshops for plan participants. United Capital may charge either a fixed fee or an hourly fee for these services or include the cost of these services in with the cost of the other services provided to the Client. Educational services are provided on an "as needed" basis.

Retirement plan advisory services are specific to each Client and are based on the Client's plan objectives (i.e. to attract, retain employees, etc.), plan status (active or frozen), funded level (over or under), risk strategy for the plan, investment committee involvement and participant needs and preferences, as well as other factors. When United Capital is employed to provide retirement plan services, in general, our methods of analysis consider the following factors:

- The Plan's benefit obligations to Plan participants and beneficiaries.
- Long term investment return that, when combined with company contributions, is sufficient to meet Plan liabilities and expenses.
- Investment policy and investment structure used to achieve the Plan's or participant's investment objectives liquidity to meet benefit payment obligations and pay Plan expenses
- Complying with ERISA, as amended, and other regulatory and legal requirements.

United Capital will consider a variety of fundamental and technical factors when searching for institutional managers to manage client assets, to support the advice that it offers to employer sponsored plan Clients. The following provides a general list of the factors that United Capital uses to analyze the institutional managers that it recommends. Other factors may be considered and not all of the items on this list are reviewed for every manager.

- Available on record-keeper platform
- 3-Year/5-Year/10-Year Risk Adjusted Return: above category average
- Expense: below category average
- Management Tenure: > 3 Years
- Fund Asset Size (all classes): > \$200 M
- Sharpe Ratio: above category average
- Consistency: metric to measure manager consistency: High
- Short-term redemption fee: Y/N & terms
- Modern Portfolio Theory return/risk analysis (Qtr/YTD/1, 3, 5, 10)
- Cumulative, annualized, rolling 24 & 36 month performance
- Risk vs. Return (3 & 5-Year w/Information Ratio)
- 5-Year comparison: Up vs. Down market capture ratio
- Rolling 24-month style exposure over last 5 years
- Historical & average style and exposure
- Modern Portfolio Theory comparisons
- Benchmark consistency
- Audited financials by reputable accounting firm
- Separate account/collective trust pricing
- Firm ownership/total staff/retention
- Compliance history
- Firm expertise & assets vs. desired fund
- *Fund* assets vs. plan assets being placed
- *Fund* research staff depth & process
- *Fund* analyst to manager ratio
- *Fund* specific succession plan
- *Fund* manager compensation structure & manager retention strategy; other responsibilities
- Make-up of *Fund's* current asset base (e.g., institutional, retail, distribution channels used)
- Reasons for out-performance/under-performance

- Current strategy relationship to past performance
- Clarity of/desire to share attribution
- *Fund* closing strategy (maximum assets)
- Buy discipline/sell discipline
- Did manager show tracking/comparison tools
- Research process/data sourcing
- Process for managing information (e-mail/VM)
- Preferred industries/industries to avoid
- Holdings & turnover philosophy
- Sector weighting philosophy

Note: Additional information about any of the above factors for analyzing the institutional managers is available on demand. Please contact United Capital for further information.

Hedge Funds, Managed Futures & Alternative Investments

United Capital offers advice about investing in hedge funds, managed futures and alternative investments and may advise certain Clients to include such investments in their portfolio. United Capital is not affiliated with any hedge funds, managed future provider or alternative investment provider, 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 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. Additionally, certain IAR's of United Capital may be licensed as an insurance agent.

If and when a recommendation is made to a Client about the purchase, redemption or exchange of an insurance policy, Clients are not obligated in any way to execute the recommendations made through UCRM and/or any insurance agent affiliated with United Capital and/or any insurance agency that its IARs may be licensed with. In general, any fees by United Capital IARs relating to the sale of insurance products may result in higher overall fees to the Clients than what they may pay for investment products recommended through an advisory program. Further, insurance product recommendations may not be subject to the same fiduciary standard as investment advisers are subject.

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. Certain employees of United Capital may be qualified to provide tax advice based on education and training. In such instances the employee may offer tax advice to Clients, as an outside business activity. The activity will be conducted independently by the individual, as an outside business activity, not affiliated with United Capital. Where an employee offers tax advice as an outside activity, Clients are not obligated in any way to hire the individual for these services. Any tax planning services offered to clients is separate and distinct from United Capital. 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 counseling & advice services, 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.

For Client's that would like assistance to help monitor and file class action litigation claims, United Capital uses the services of Chicago Clearing Corporation ("CCC"), a company that specializes in the field of Class Action Claims. For Client's that request this service, United Capital periodically provides CCC with the transaction history for the Client's accounts and CCC subsequently monitors for any claims activity related to the securities that have been purchased in the Client's account. CCC will monitor each claim that applies to the Client, collect the applicable documentation, interpret the terms of each settlement, file the appropriate claim form, interact with the administrators and distributes any award due for the Client's benefit. For their services, CCC charges a contingency fee of 20%, which is subtracted from the Client's award when it is paid. The net proceeds are deposited directly into the Client's investment account or paid to the Client by check. When a claim develops, CCC communicates directly with the claims administrator to file the claim on the Client's behalf. CCC warrants that any specific private Client information they receive will be maintained as confidential and will not be used or disclosed for any reason, except for the completion of the claim itself.

Outsourcing of Certain Investment Operations

United Capital works with various third party service providers to help support the operational needs of managing and servicing client accounts. Authority provided to the outsourced service providers may include, but is not limited to placing transactions with broker dealers at the direction of United Capital, opening accounts with Client's account custodian, and facilitating operational requests on the Client's behalf based on instructions provided by associated persons of United Capital. When providing these services, the third party service provider is acting as an agent of United Capital.

Self-Directed 401(K) Accounts

Certain Clients may provide United Capital with access to discretionarily manage their assets through a self-directed 401(K) account service. When using this service, it's important to note that:

- United Capital may not deduct fees from these accounts. Clients pay investment management fees by check, credit card or through direct debit of a separate account not under this program.
- Block trading is not allowed. This means that each Client order will be submitted to the custodian independently for execution, and different Clients may receive different prices for the same security traded.
- United Capital's typically charges a flat annual fee of \$2,000 for the discretionary management of a Client's self-directed 401(K). The Client's IAR may negotiate the actual fee rate with the client. The agreed upon rate will be reflected in the Client's investment management agreement.

Miscellaneous

In performing its services, United Capital does not independently verify any information it receives from Clients or from a Client's other services providers; 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 (or a flat

dollar amount) 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). Since the difference between the two types of accounts relate to transaction fees, depending on how the Clients assets are invested, a Wrap Fee account may be cheaper than a Non-Wrap Fee account, or visa versa. IARs work with Clients to determine if their account will be managed as a Wrap or Non-Wrap account. IARs are compensated based on a percentage of the assets under management, and their compensation may be higher or lower, depending on which method is chosen, therefore, IARs may have a financial incentive to recommend one method over another. 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 12/31/2012)

	Assets Under Management	Number of Accounts
Discretionary	\$7,334,816,762.54	21,081
Non-Discretionary	\$482,091,889.64	228
TOTAL	\$7,826,908,652.18	21,309

ITEM 5:

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	0.50%	1.75%	2.25%
\$250,000 TO \$499,999	0.50%	1.50%	2.00%
\$500,000 TO \$999,999	0.30%	1.25%	1.55%
\$1,000,000 TO \$2,000,000	0.20%	1.10%	1.30%
GREATER THAN \$2,000,000	0.10%	1.00%	1.10%

The following information applies to the above fee chart:

1. Sub-Manager, Manager or Manager Research Fees: The investment management fee does not typically include fees charged by managers, sub-managers or fees assessed to cover manager research fees. These fees typically range from 0% to 1% of the Client's assets under management and are billed either quarterly or annually. These fees may be charged by United Capital for their management of strategies, as well as by third parties not affiliated with United Capital. United Capital may have an incentive to recommend the firm's own strategies that have a manager fee associated rather than a non-affiliated manager or a strategy without additional fees.
2. The Client's total fee rate will be blended using these stepped rates.

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 each Client and confirmed in their Agreement or, if the schedule has been changed from the initial agreement that the Client signed, through supporting documentation. While the Investment Management fee is typically assessed as a percentage of the Client's assets under United Capital's management, it may also be assessed as a flat dollar amount.

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, this is also known as "householding." The Client's IAR reserves the right to determine whether Client accounts are "related" for purposes of aggregation. A determination of the related accounts is part of the fee negotiation with the Client and IAR. 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 of United Capital.

Terminated Accounts

If United Capital's 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 time for 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 general guideline for the fee rate charged to Clients. The fee rate is either charged as a standalone 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 Delivery of Services 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 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, as agreed upon in the agreement, 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.

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 \$20,000, added during a quarter. Additionally, United Capital does not typically credit any pre-paid fees for account withdrawals of less than \$20,000.

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.

United Capital relies on a number of different resources to price securities held in client accounts, including multiple portfolio accounting systems, pricing services and Custodians. As a result, Clients may receive different statements displaying a different valuation of the same security, based on the source of the data. Additionally, different Clients with the same security may pay different fees depending on the valuation source of the securities in their specific account.

There are certain fees and expenses that Clients may incur, which are not included as part of the annual fees for investment management services charged by United Capital. The investment management fee does not typically include fees charged by managers, sub-managers or fees assessed to cover manager research fees. These fees typically range from 0% to 1% of the Clients assets under management and are billed annually. These fees may be charged by United Capital for their management of strategies, as well as by third parties not affiliated with United Capital. United Capital may have an incentive to recommend the companies own strategies that have a manager fee associated rather than a non-affiliated manager or into a strategy without additional fees.

In addition, national securities exchange fees; charges for transactions with respect to assets not executed through the custodian; short term redemption fees; fees and expenses charged to shareholders of mutual funds and exchange traded funds by the fund manager; odd-lot differentials; American Depository 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 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 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 charged to 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 Securities Exchange Act of 1934 and are designed to recover the costs associated with the government's supervision and regulation of the securities markets and securities professionals.

Alternative Investment Advice Services and Associated Fees

The United Capital Alternative Investment Advice Service is a referral service whereby United Capital may recommend that a Client investment a portion of their assets in a specific hedge fund, managed future fund or alternative investment, based on the individual Client's risk tolerance and objectives. United Capital receives no cash or non-cash compensation for the referral to the manager of the investment. Nor does United Capital pay a cash or non-cash payment to the third party investment provider or manager. Compensation is received by United Capital through the Alternative Investment Advice Fees paid to United Capital by the Client. The fee paid by the Client for the United Capital Alternative Investment Advice Service is 1.5% of the amount of assets the Client has under management with the third party alternative investment 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 alternative investment platform provider may receive from the investment manager compensation through platform fees, management fees, and or revenue in relation to acting as an introducing broker for certain platform funds. United Capital does not have discretion over the alternative investments recommended through this service. Clients are responsible for initially executing any documents required to be completed by the investment manager and for continuously maintaining any subsequent documentation required after the initial investment is made.

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. See also Item 10 "Other Financial Activities and Affiliations" below.

ITEM 6:**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).

United Capital may refer clients to third party money managers that charge performance based fees, separate from asset management fees charged as a percentage of the Client's assets under management. United Capital may share in a percentage of the performance fees charged and collected by the third party money manager, for referring clients to the manager. Before investing in any strategy that charges performance based fees, the Client is required to sign specific disclosures discussing the fees, including how they are calculated and assessed.

ITEM 7:**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 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 to the minimums, as the IAR deems appropriate. Account minimums are reviewed periodically and are subject to change. Upon giving notice to United Capital, or by contacting their account custodian directly, 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 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.

ITEM 8:**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 Client 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 who contribute to Investment Committee meetings by performing analysis and research projects. The non-affiliated professionals typically have specific expertise in areas such as domestic and international micro and macroeconomics, technical market analysis, and other areas that United Capital believes outside experts would offer a perspective beneficial to how it exercises 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 Investment 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 Investment 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's account or portfolio holding will fluctuate due to market conditions and other factors. For all 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 higher 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, in some instances, create additional tax liability for Clients.

To implement investment management, if a Client's account initially contains securities invested rather than a cash deposit, 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 does not provide tax or legal advice for services it provides to Clients.

Item 9:

DISCIPLINARY INFORMATION

Investment advisers and their management persons are required to disclose all material facts regarding any legal or disciplinary events that would be material to a Client, or a prospective Client's evaluation of United Capital's advisory business or the integrity of United Capital's management. United Capital has no reportable disciplinary information.

ITEM 10:

OTHER FINANCIAL INDUSTRY ACTIVITY AND AFFILIATIONS

Certain IARs of United Capital may be licensed as a registered representative with Girard Securities, Inc., a broker-dealer not affiliated with United Capital, or other another broker dealer not affiliated with United Capital. When acting as a registered representative, these individuals offer brokerage services. When acting as a registered representative to provide brokerage services, to the extent that transactions are executed through Girard, these representatives receive commission for those transactions. Brokerage services provided by a registered representative are different from advisory services offered through United Capital, because an advisory relationship imposes a fiduciary duty under Sections 206 of the Advisers Act where the standard of care when recommending securities to a Client is higher than in the case of a brokerage relationship where the standard of care is "suitability," which may merely determine whether the recommended security is appropriate for the client and adheres to the client's investment objectives and risk tolerance, and not necessarily in the client's best interest. Clients are under no obligation to conduct brokerage services through the IAR's associated broker-dealer. Because of the potential for the IAR to generate a commission separate from or 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 Client's needs.

Certain IARs of United Capital may serve as an IAR with an investment adviser not affiliated with United Capital, including Girard. These IARs may choose to offer investment advice and investment management services through a different investment adviser other than United Capital, or through United Capital. The decision as to which investment adviser is chosen for a specific service is made at the IARs discretion and is typically based on the specific needs of each individual client and the availability of services through the different investment advisers. The compensation arrangement with different investment advisers may be different for the IAR, and as such, the IAR may have an incentive to choose one investment adviser over another. This relationship may cause other conflicts of interest for the IAR when they choose one investment adviser vs another, due to affect the recommendation has on the incentive and compensation that the IAR receives.

Many of United Capital's IARs are registered as registered representatives through Girard and receive compensation from Girard; therefore, they are incentivized to conduct securities transactions through Girard. Further, United Capital has a consulting arrangement with Girard, whereby the two businesses may mutually refer clients for investment adviser and broker-dealer services. This presents a conflict of interest in that the IAR, United Capital and Girard may prefer to refer business to one another over other broker-dealers and investment advisers, as discussed below under item 14.

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 who serve as investment adviser representatives with it may separately serve as trustees for accounts that are not Client accounts of United Capital ("trustee-clients"). In such situations, when the employee is acting as trustee for a trust that is not a client of United Capital, United Capital will not accept custody over trustee-clients' funds or securities. This exclusion does not include client accounts of family members managed by investment adviser representatives employed with United Capital and who serve as trustee for the family accounts. Alternatively, there may be certain situations where an employee serves as the trustees for an account under United Capital's supervision that is not a family account. In this case, since the employee is a related party to United Capital, United Capital will not allow the employee to hold, directly or indirectly, the trustee-client's funds or securities. Nor will it permit the employee to obtain possession of them, in connection with advisory services that United Capital provides to such trustee-clients.

As an outside business activity, certain employees of United Capital may sit on the board of private and public companies, non-profit organizations, and state and local government agencies.

ITEM 11:

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

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.

In certain instances, a United Capital portfolio manager may decide that a position to be liquidated in one Client's account may be a good purchase for an alternative client. When this occurs, the portfolio manager may conduct a needs analysis to determine an alternative client that the portfolio manager believes would benefit from owning the position. If such activity does take place, with one client of United Capital selling a position and a separate client purchasing the same position, United Capital shall not be compensated or benefit in any way, whatsoever, from either party, except for its normal asset management fee.

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. Under SEC Interpretation of Section 206(3) of the Investment Advisers Act, Release No. IA-1732, the SEC states: "We have concluded that if an investment adviser receives no compensation (other than its advisory fee), directly or indirectly, for effecting a particular agency transaction between advisory clients, the adviser would not be "acting as broker" within the meaning of Section 206(3)". Based on this interpretation, United Capital does not act as "agent" with respect to Rule 206(3) and is not subject to the written disclosure requirements of the rule.

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. United Capital does not perform principal transactions.

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 Client's 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, United Capital does not intentionally invest in the same securities as Clients or have its own proprietary account(s) alongside any Client accounts.

Certain employees may have accounts managed by 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 the 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.

ITEM 12:

BROKERAGE PRACTICES

Soft Dollars

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 products and services include software and other technology that provide access to Client account data (such as trade confirmations and account statements); services that facilitate trade execution (and allocation of aggregated trade orders for multiple Client accounts); research, pricing information and other market data; products and services that facilitate payment of United Capital fees from its Client accounts, and assist with back office functions, recordkeeping and Client reporting. Generally, many of these services 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, offering 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 they would otherwise charge for some of these services or pay all or a part of the fees of other third parties providing such services to United Capital. Third party service providers may also contribute to educational events held by United Capital for its employees.

United Capital typically does not enter into agreements where a service provider agrees to pay for services of a third party vendor. However, it may, in limited instances, inherit Client relationships that previously include such a soft dollar arrangement. In these cases it is United Capital's policy to review the relationships for conflicts of interest, and when appropriate, 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. This 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 Client's interest in receiving the most favorable execution. It's possible that Clients would pay lower commissions by using a broker-dealer that does not provide any benefit to United Capital.

Third Party Service Providers

United Capital receives additional benefits based upon its relationship with certain third party service providers, including Fidelity Brokerage Services, LLC and their affiliated entities (combined "Fidelity"). As part of its relationship, Fidelity has provided United Capital with a line of credit to provide additional capital to the firm. A provision included in the line of credit is an expectation that certain client asset thresholds are maintained with Fidelity and that United Capital conducts continued business with Fidelity. Additionally, Fidelity has paid in the past, and may in the future, a portion of the recruiting fee for certain business assets acquired by United Capital. These benefits may present a conflict of interest in that they provide United Capital with an incentive to recommend that its Clients custody their assets at Fidelity over other custodians.

United Capital typically asks Clients to custody their assets with a specific custodian. United Capital's recommendation to its Clients to hold assets in custody with a particular firm is based on various factors, including, but not limited to:

- the historical place where the assets were held in custody prior to the Client becoming a Client of United Capital, and

- the services provided by the custodian to United Capital to help service the Client's assets (see "Soft Dollars" above).

Execution/Directed Brokerage for Discretionary Managed Accounts

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 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. However, 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 Client accounts 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, a 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.

Custodian Selection for Discretionary Managed Accounts

United Capital typically asks Clients to custody their assets with a specific custodian. The recommendation to hold assets in custody with a particular firm is based on various factors, including but not limited to:

- the historical place where the assets were held in custody prior to the Client becoming a Client of United Capital, and
- the services provided by the custodian to United Capital to help service the Clients assets (see "Soft Dollars" above).

Custodians that United Capital recommends to its Clients may also provide certain services that may benefit United Capital and its business in general, rather than benefit specific Clients. Such benefits include but are not limited to:

- Offering a line of credit or loan facility to United Capital; and
- Sharing in IAR recruitment expenses and other business growth initiatives.

While United Capital may recommend a custodian to Clients, Clients are not obligated to follow its recommendation. It is the Client's decision on where they custody their assets. If a Client chooses to custody their assets at a custodian other than what is recommended by United Capital, the firm may not be able to discretionarily manage the Client's assets, thus restricting the kinds of services it can make available.

ITEM 13:

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 or online conference at which time their financial situation, condition, or investment objectives or goals are reviewed. If the Client and IAR do not meet for a considerable period of time, greater than a year, after reasonable effort is made by the IAR to do so, the Client's account will be managed based on previously communicated expectations.

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. Rebalancing may generate a taxable transaction for the Client. United Capital does not typically factor the tax implication of a transaction when deciding when to rebalance an account.

Client Custodial Statements

Each Client with an investment management agreement receives an account statement of their account(s) at least quarterly from the custodian. 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. It is possible that information may be different when comparing the custodial statement to the performance report. In such situation, Clients are advised to use the custodial statement as the most accurate record of their account.

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.

ITEM 14:

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 providers 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 the "Soft Dollar" section above.

Line of Credit

Fidelity Brokerage Services, LLC (combined with affiliates represented as "Fidelity") has made a line of credit available to United Capital to help support the growth of the firm's business. The credit facility contains provisions relating to certain minimum Client asset thresholds that are expected to be maintained by United Capital in custody through Fidelity. Additionally, the credit facility contains provisions that Clients will be referred to Fidelity to hold their assets in custody, unless United Capital finds a reasonable basis for referring Clients to another custodian. While the Client asset thresholds are in line with United Capital's historical referrals made to Fidelity, the fact that the credit facility is contingent on certain thresholds being met presents a conflict of interest.

Recruiting Expenses

As a part of United Capital's business, the firm hires outside parties (recruiters) to help find investment adviser representatives interested in joining United Capital. The recruiters are typically paid a fee based on a percentage of the total revenue of the IAR or business referred to United Capital. At times, others may contribute to the recruiting expense United Capital might incur, including custodians of Client assets like Fidelity. When a third party contributes to the recruiting expense, it presents a conflict of interest, as United Capital may have an incentive to refer the Client to the third party custodian sharing the cost of the recruitment expense over another custodian.

Client Referrals

United Capital's investment management division receives Clients primarily through referral from its IARs, who are affiliated persons. When Clients are referred to United Capital, the IAR is typically compensated

through salary paid to them by United Capital. Some IARs receive compensation for their businesses when they transition their clients' business to United Capital through United Capital's acquisition of assets of the business. Depending on the nature of the acquisition of the IAR's business, these IARs may receive compensation based on meeting certain Client assets and revenue transfer thresholds. Additionally, certain Clients are referred to United Capital as part of a partial or full sale of the IAR's former practice to United Capital. Certain IAR's may receive additional compensation in the form of upfront forgivable loans or other loans when joining United Capital. When an IAR is compensated through payment of a forgivable loan, or other loan, or receives incentive compensation based on the percentage of clients who transfer their business to United Capital, there are conflicts of interest raised by such arrangements, including the concern that the IAR has an incentive to choose to transfer Clients' assets to United Capital over another investment adviser. United Capital believes that Clients are not impacted by these arrangements when the advisory fees they have paid in the past do not increase when transitioning their business to United Capital.

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 providing access to their members. If the payment is based on a percentage of the fees earned by United Capital from its members, it is done so in accordance with SEC Rule 206(4)-3 under the Investment Advisers Act of 1940.

United Capital may at times pay a small amount ("gifts") to Clients and third parties who refer Clients to it. These gifts are typically of nominal value and are not based on a percentage of the actual or anticipated earnings that United Capital would generate or expect to generate from any new Clients gained.

United Capital may pay individuals to contact Clients and or prospective Clients (combined "Clients") in an effort to invite the Clients to seminars or meetings. Clients are not charged for this service.

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, in accordance with SEC Rule 206(4)-3 under the Investment Advisers Act of 1940, 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.

United Capital and its IARs may refer clients to Girard, a non-affiliated broker dealer and investment adviser. When a referral is made to Girard, this presents a conflict of interest in that the IAR, United Capital and Girard Securities may prefer to refer business to one another over other broker dealers and investment advisers due to additional compensation incentives offered through the referral versus making the referral to another firm.

Schwab Advisor Network & TD Ameritrade Advisor Direct Client Referrals

United Capital also receives Client referrals from Charles Schwab & Co., Inc. ("Schwab") through the Schwab Advisor Network® ("the Service") and from TD Ameritrade Institutional ("TD") from their Advisor Direct program. Both Schwab and TD are unaffiliated independent broker-dealer's and have no supervisory or any other responsibilities for United Capital's management of Clients' portfolios or other advisory services. United Capital pays Schwab and TD a Participation Fee on all referred Client accounts that are maintained in custody at the respective broker-dealer and a Non-Schwab /Non-TD 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 or TD, respectfully. The Participation Fee is paid quarterly by United Capital, not the Client, and may be increased, decreased or waived by Schwab or TD 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 that were not referred through the Service.

ITEM 15:
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. Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, as well as their holdings and activity. United Capital urges its Clients to carefully review such statements for accuracy. Clients should contact United Capital directly if they believe that there may be an error in their statement, or have any questions about any of the transactions, activity, holdings, or fees deducted.

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

ITEM 16:
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.

ITEM 17:
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 the Client's accounts under United Capital's supervision.

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. Any requests made to vote a specific security a certain way will be made on a best efforts basis. United Capital cannot control the timing, guarantee or provide assurance that a vote can be overrode if it was already submitted for the specific request.

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. The primary policy of United Capital is to "vote in the best interest of the client through the use of third party Proxy voting and research provider services, where analysis and review is conducted on the proxy proposal. The Procedures contain guidelines that focus on the best interests of the Clients, including election of Directors, auditor ratification, executive compensation, authorized shares, shareholder rights, merger/acquisitions, shareholder proposals, governance and environment/social. The Client reserves the right and 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.

Item 18:

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.