

**Part 2A of Form ADV: *Firm Brochure***

**USAdvisors Wealth Management, LLC**

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This brochure provides information about the qualifications and business practices of USAdvisors Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at 952.829.0000 or [info@usadvisorswealthmanagement.com](mailto:info@usadvisorswealthmanagement.com). 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 USAdvisors Wealth Management, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 158108.

## **Item 2     Material Changes**

After the end of our first fiscal year, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

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## **Item 4    Advisory Business**

USAdvisors Wealth Management, LLC is an investment adviser with its principal place of business located in Minnesota. USAdvisors Wealth Management, LLC is registered with the state of Minnesota and other states where investment adviser registration is required in order for our firm to provide investment advice. USAdvisors Wealth Management, LLC began conducting business in 2011.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Nathan Daniel Bergeland, Managing Member

USAdvisors Wealth Management, LLC offers the following advisory services to our clients:

### **INDIVIDUAL PORTFOLIO MANAGEMENT**

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, investment adviser representatives ("IARs") of USAdvisors Wealth Management, LLC will develop a client's personal investment policy and create and manage a portfolio based on that policy. During the data-gathering process, the IAR will determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, the IAR will also review and discuss a client's prior investment history, as well as family composition and background.

Each IAR manages accounts based on his or her own investment strategy and philosophy. Depending on the policies of the IAR, he or she may manage these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- Mutual fund shares
- United States government securities

The IAR will provide advice on any investment held by the client at the inception of the advisory relationship. However, assets in managed accounts will typically be limited to those listed above.

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

### **MODEL PORTFOLIO MANAGEMENT**

Our firm also provides portfolio management services to clients using model asset allocation portfolios. Each model portfolio is designed to meet a particular investment goal.

We develop and manage equity, balanced and fixed-income portfolios, using no-load and load-waived mutual funds, as well as exchange-traded funds ("ETFs"). We manage client accounts by determining (a) the relative percentages of equity and fixed-income investments and (b) allocations by asset class as appropriate for the client. We will develop models as client needs require. The following is an example of how a model portfolio may be constructed:

#### **SAMPLE PORTFOLIO by ASSET CLASS**

18% Large-Cap Growth  
18% Large-Cap Value Equity  
14% Mid-Cap Equity  
10% Small-Cap Equity  
5% International Equity  
  
20% Long-Term Fixed Income  
12% Intermediate-Term Fixed Income  
3% Money Market

Where practical, we will include in the client's managed account any securities the client holds and wishes to continue to hold. The amount and nature of these securities will be a factor in determining which model portfolio is appropriate for the client. As a simple example, if we think that a client with \$1,000,000 of manageable assets in his account should hold 50% equities and 50% fixed income, and of that \$1,000,000 the client asks us not to sell \$500,000 in equity securities the client already owns, we will likely recommend that the client place the remaining \$500,000 in the model portfolio that invests 100% in fixed income.

We manage these model portfolios on a discretionary basis. However, assets in the account that the client has asked us to not sell will be managed on a non-discretionary basis only. Moreover, while we will monitor the value of these non-discretionary holdings for purposes of determining if a client's account should be re-balanced or moved to a different model, we will not be analyzing and tracking these holdings on a daily basis. Therefore, we may be unaware of factors that could lead to a dramatic market movement in these non-discretionary assets. It is the client's responsibility to track the performance of these investments and to let us know if, in the client's opinion, the time has come to sell them.

Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients, nevertheless, have the opportunity to place reasonable restrictions on the types of investments to be held in their accounts. Clients retain individual ownership of all securities.

Our investment recommendations are not limited to any specific product or service offered by a broker dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Mutual fund shares
- Securities the client wishes to include in the managed portfolio.

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

To ensure that our initial determination of an appropriate portfolio remains suitable and that the account continues to be managed in a manner consistent with the client's financial circumstances, we will:

1. send quarterly written reminders to each Model Portfolio Management Services client requesting any updated information regarding changes in the client's financial situation and investment objectives;
2. at least annually, contact each participating client to determine whether there have been any changes in the client's financial situation or investment objectives, and whether the client wishes to impose investment restrictions or modify existing restrictions;
3. be reasonably available to consult with the client; and
4. maintain client suitability information in each client's file.

## **FINANCIAL PLANNING**

We provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax and spending and planning

for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.

- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.
- **BUSINESS CONSULTING:** We offer general financial and business consulting services. These services may include, but are not limited to, evaluation of your business, tax planning, risk management, business planning, advisory consulting services to business owners in the sale of their business, and assistance in the overall structuring of a business succession plan, among others.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

Our recommendations are not limited to any specific product or service offered by a broker dealer or insurance company and may include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States government securities

We will provide advice about any investment held by the client at the inception of the advisory relationship. Recommendations for new investments are typically limited to those listed above.

Typically the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided. As of December 21, 2011, USAdvisors Wealth Management, LLC had no assets under management.

## **Item 5 Fees and Compensation**

### **INDIVIDUAL PORTFOLIO MANAGEMENT FEES**

The annualized fee for Individual Portfolio Management is charged as a percentage of assets under management. Fees will typically range from 0.50% to 2.00% of the client's managed assets. Fees will be based on the size, nature and complexity of the client's circumstances, and may vary among Investment Adviser Representatives. An exact fee will be determined for each client.

A minimum of \$50,000 of assets under management is typically required for this service, although each IAR is able to set minimums that are higher or lower. This account size may be negotiable under certain circumstances. USAdvisors Wealth Management, LLC may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Fees are billed quarterly, in arrears. Fees for the first quarter will be prorated based on the number of days from the inception of the advisory account to the last day of the quarter.

### **MODEL PORTFOLIO MANAGEMENT FEES**

The annualized fee for Model Portfolio Management Services will be charged as a percentage of assets under management, according to the following schedule:

<b><u>Assets Under Management</u></b>	<b><u>Annual Fee</u></b>
\$50,000 - \$100,000	1.50%
\$100,001 - \$150,000	1.40%
\$150,001 - \$200,000	1.30%
\$200,001 - \$250,000	1.20%
\$250,001 - \$300,000	1.10%
\$300,001 and above	1.00%

A minimum of \$50,000 of assets under management is required for this service. This account size may be negotiable under certain circumstances. USAdvisors Wealth Management, LLC may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Fees are charged quarterly, in arrears. Fees for the first quarter will be prorated based on the



number of days from the inception of the advisory account to the last day of the quarter.

## **FINANCIAL PLANNING FEES**

USAdvisors Wealth Management, LLC's Financial Planning fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Our Financial Planning fees are calculated and charged in one of two ways:

- On a fixed fee basis, typically ranging from \$1,000 to \$35,000, depending on the specific arrangement reached with the client; or
- On an hourly basis, ranging from \$100 to \$400 per hour, based on the business experience of the IAR who prepares the plan, the complexity and scope of the plan, as well as the client's financial situation and objectives.

We may request a retainer upon completion of our initial fact-finding session with the client; however, advance payment will never exceed \$500 for work that will not be completed within six months. For fixed fee clients, the balance is due upon completion of the plan. For hourly clients, fees above the retainer will be due and payable as earned.

***Fees Offset By Commissions:*** If a Financial Planning client executes recommended securities transactions through associated persons of our firm in their separate capacities as registered representatives of a broker dealer or insurance agents, these individuals will earn commissions which are separate and distinct from fees charged for advisory services. In some instances, depending on the size of the transaction, advisory fees will be discounted, at our discretion, for commissions earned. Commissions will not be credited towards future advisory fees.

Management personnel and other related persons of our firm are licensed as registered representatives of a broker-dealer and/or licensed as insurance agents or brokers. In their separate capacity (ies), these individuals are able to implement investment recommendations for advisory clients for separate and typical compensation (i.e., commissions, 12b-1 fees or other sales-related forms of compensation). This presents a conflict of interest to the extent that these individuals recommend that a client invest in a security which results in a commission being paid to the individuals. Clients are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client. Commissions do not constitute the majority of advisory fees.

## **GENERAL INFORMATION**

***Limited Negotiability of Advisory Fees:*** Although USAdvisors Wealth Management, LLC has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include: the complexity of the client's assets to be placed under management; anticipated future additional assets; related accounts; portfolio style; account composition; and reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

***Termination of the Advisory Relationship:*** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

***Mutual Fund and ETF Fees:*** All fees paid to USAdvisors Wealth Management, LLC for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each mutual fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund or ETF directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

USAdvisors Wealth Management, LLC will typically use ETFs with no transaction fees for Model Portfolio Management clients. In certain situations, however, we may find that an ETF with a transaction fee is a more appropriate choice. In this situation, the client will pay separate and typical transactions fees associated with such ETFs. Neither USAdvisors Wealth Management, LLC nor its associated persons share in ETF transaction fees for Model Portfolio Management clients.

***Additional Fees and Expenses:*** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

***ERISA Accounts:*** USAdvisors Wealth Management, LLC is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. . As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, USAdvisors Wealth Management, LLC may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset USAdvisors Wealth Management, LLC's advisory fees.

**Advisory Fees in General:** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

**Direct Debiting of Advisory Fees:** A client may elect to either have advisory fees directly from the client's custodial account or to have a bill for sent to the client. Please see Item 15 ("Custody") of this brochure for more information on direct debiting of fees.

**Limited Prepayment of Fees:** Under no circumstances do we require or solicit payment of fees in excess of \$500 more than six months in advance of services rendered.

## **Item 6 Performance-Based Fees and Side-By-Side Management**

USAdvisors Wealth Management, LLC does not charge performance-based fees.

## **Item 7 Types of Clients**

USAdvisors Wealth Management, LLC provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Charitable organizations
- Corporations or other businesses not listed above

As previously disclosed in Item 5, our firm has established certain initial minimum account requirements, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service.

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

### **METHODS OF ANALYSIS**

We use the following methods of analysis in formulating our investment advice and/or managing client assets. The various IARs who directly manage client portfolios may use any or all of these methods of analysis:

**Fundamental Analysis.** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Asset Allocation.** Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

**Mutual Fund and/or ETF Analysis.** We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

**Risks for all forms of analysis.** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## **INVESTMENT STRATEGIES**

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Long-term purchases.** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

**Short-term purchases.** When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

**Trading.** We purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.

Utilizing a trading strategy creates the potential for sudden losses if the anticipated price swing does not materialize. Moreover, under those circumstances, we are left with few options:

- having a long-term investment in a security that was designed to be a short-term purchase, or
- the potential of having to taking a loss.

In addition, because this strategy involves more frequent trading than does a longer-term strategy, there will be a resultant increase in brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

**Risk of Loss.** Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

## **Item 9 Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

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

Management personnel and IARs of our firm, in their individual capacities, are registered representatives of Securities America, Inc., a FINRA-member broker-dealer. In this capacity, these individuals can implement securities transactions for Financial Planning clients for separate and typical compensation. Financial Planning clients are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all Financial Planning recommendations is solely at the discretion of the client. Securities America, Inc. will not be used as a broker-dealer for Individual Portfolio Management and Model Portfolio Management accounts.

Management personnel and IARs of our firm, in their individual capacities, are agents for various insurance companies. Moreover, certain management personnel are also owners of US Advisors Insurance Agency, LLC, a licensed insurance agency. Other IARs are Principals of the Le Blanc Financial Group, which is the holding company for Legacy Financial Group, LLC, a licensed insurance agency, and Legacy Benefits, LLC, a life settlement brokerage company.

As such, these individuals and these firms are able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. Clients, however, are not under any obligation to engage these individuals and/or these firms when considering implementation of advisory recommendations. The implementation of any or all insurance recommendations is solely at the discretion of the client.

Management personnel of our firm own USAdvisors Network, LLC, a firm which provides administrative services for the securities and insurance services described above.

Clients should be aware that the receipt of additional compensation by USAdvisors Wealth Management, LLC and its management persons, employees and/or IARS creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. USAdvisors Wealth Management, LLC endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

Consistent with industry best practices and SEC requirements our firm has adopted a written Code of Ethics which sets forth high ethical standards of business conduct that requires supervised persons to comply with applicable federal securities laws and instructs such

persons as to their fiduciary obligations. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request to Michael Shovein, Chief Compliance Officer, at the firm's principal office address.

Our firm requires all employees to maintain high ethical standards of business conduct, including compliance with applicable federal securities laws. USAdivisors Wealth Management, LLC and our personnel owe a duty of loyalty, fairness and good faith towards our clients.

USAdivisors Wealth Management, LLC and individuals associated with our firm are prohibited from engaging in principal or agency-cross transactions.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. This presents a conflict of interest in that, by purchasing securities that we do not recommend for clients, we could be depriving clients of an investment opportunity. To address this conflict, we review personal securities transactions by our associated persons (please see description of the review process, below).

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security (ies) which may also be recommended to a client.

This presents a conflict in that, were one of our associated persons to place a personal trade ahead of client trades in the same security, the price of the personal trade could be improved based on the market impact of the client trades. To address this conflict, it is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

Another potential conflict that arises from this situation is that we could invest client assets in a security owned by our related persons in order to improve the price of that security. To address this conflict, we require that transactions in client accounts must be consistent with the best interests of our clients.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

These situations represent actual or potential conflicts of interest to our clients. By aggregating personal and client trades, we could be making a trade that is inappropriate for the client in order to obtain better price for our personal trades.

To address these potential conflicts, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its

regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations. These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
5. We have established procedures for the maintenance of all required books and records.
6. All clients are fully informed that related persons may receive separate commission compensation when effecting transactions during the Financial Planning implementation process.
7. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
8. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
9. Any individual who violates any of the above restrictions may be subject to termination.

As disclosed in the preceding section of this Brochure (Item 10), related persons of our firm are separately registered as securities representatives of a broker-dealer and licensed as an insurance agent/broker of various insurance companies]. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

## **Item 12 Brokerage Practices**

### **Individual Portfolio Management and Model Portfolio Management**

For Individual Portfolio Management and Model Portfolio Management clients, USAdvisors Wealth Management, LLC requires these clients to provide us with written authority to determine the broker dealer to use and the commission costs that will be charged to these clients for these transactions.

These clients must include any limitations on this discretionary authority in this written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

As our firm does not have the discretionary authority to determine the broker-dealer to be used or the commission rates to be paid, Individual Portfolio Management and Model Portfolio Management clients must direct USAdvisors Wealth Management, LLC as to the broker-



dealer to be used for all transactions in their managed accounts.

USAdvisors Wealth Management, LLC requests that Individual Portfolio Management and Model Portfolio Management clients direct us to place trades through the Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab"). USAdvisors Wealth Management, LLC has evaluated Schwab and believes that it will provide our clients with a blend of execution services, commission costs and professionalism that will assist our firm to meet our fiduciary obligations to clients.

We reserve the right to decline acceptance of any client account for which the client directs the use of a broker other than Schwab if we believe that this choice would hinder our fiduciary duty to the client and/or our ability to service the account. In directing the use of Schwab, it should be understood that USAdvisors Wealth Management, LLC will not have authority to negotiate commissions or to necessarily obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to the client and those charged to other clients (who may direct the use of another broker).

Clients should note, while USAdvisors Wealth Management, LLC has a reasonable belief that Schwab is able to obtain best execution and competitive prices, our firm will not be independently seeking best execution price capability through other brokers. Not all advisers require clients to direct it to use a particular broker-dealer.

It is not anticipated that there will initially be sufficient assets in Individual Portfolio Management accounts to permit block trading in these accounts. As Model Portfolio Management accounts consist largely of mutual funds and ETFs, USAdvisors Wealth Management, LLC does not anticipate that there will be situations in which block trading will be advantageous. Other advisers may block trades of aggregate blocks of securities composed of assets from multiple client accounts when they believe doing so will result in better pricing for their clients.

As noted above, USAdvisors Wealth Management, LLC recommends that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although we recommend that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. We may decline to accept a client who requires that we use of a different broker-dealer if we believe that the use of that broker-dealer would limit our ability to effectively manage client accounts. USAdvisors Wealth Management, LLC is independently owned and operated and not affiliated with Schwab.

Schwab provides USAdvisors Wealth Management, LLC with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Institutional. These services are not contingent upon our firm committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise

generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to our firm other products and services that benefit USAdivisors Wealth Management, LLC but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our client accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist us in managing and administering our clients' accounts include software and other technology that provide access to client account data (such as trade confirmations and account statements);

- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide research, pricing and other market data;
- facilitate payment of our fees from clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.
- Schwab Institutional also offers other services intended to help us manage and further develop our business enterprise. These services may include:
  - compliance, legal and business consulting;
  - publications and conferences on practice management and business succession; and
  - access to employee benefits providers, human capital consultants and insurance providers.

Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to USAdivisors Wealth Management, LLC. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

Fees and commissions charged by Schwab may be greater than those charged by other broker-dealers or custodians.

## **Financial Planning**

As noted in Item 10, above, IARs who prepare financial plans for clients may offer to implement financial planning recommendations in their separate capacities as registered representatives of Securities America, Inc. and/or as insurance agents. Please refer to Item

10 for information about the conflicts of interest inherent in this situation.

Financial Planning clients are under no obligation to use these individuals to implement any financial planning recommendations. Please refer to Item 10 for information about the conflicts of interest inherent in this situation.

## **Item 13    Review of Accounts**

### **INDIVIDUAL PORTFOLIO MANAGEMENT and MODEL PORTFOLIO MANAGEMENT**

**REVIEWS:** While the underlying securities within these accounts are continually monitored, each client's account is reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

Model portfolios are reviewed by the Investment Committee:

- Nathan Bergeland, Managing Member
- Michael J. Shovein, Chief Compliance Officer
- James Eads, Chief Operating Officer

Each client's account is reviewed by the IAR responsible for the client's account.

**REPORTS:** Clients will receive monthly statements from their broker-dealer.

As part of this billing process, we send clients an invoice including the management fee and contemporaneously provide the client's custodian with a statement showing the amount of the fee to be deducted and how that fee was calculated. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

### **FINANCIAL PLANNING**

**REVIEWS:** While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

**REPORTS:** Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

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

It is USAdvisors Wealth Management, LLC's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

Our firm and/or our officers and representatives are eligible to receive incentive awards (including prizes such as trips or bonuses) for recommending certain types of insurance

policies or other investment products that we recommend.

In their capacities as registered representatives of Securities America, Inc., IARs who implement mutual fund transactions for Financial Planning clients may receive certain ongoing marketing fees ("12b-1 fees") from the recommended mutual funds.

While we endeavor at all times to put the interest of our clients first as part of our fiduciary duty, the possibility of receiving incentive awards creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

## **Item 15 Custody**

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, we send clients an invoice including the management fee and contemporaneously provide the client's custodian with a statement showing the amount of the fee to be deducted and how that fee was calculated. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

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, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

Alternatively, clients can choose to be billed directly rather than have fees debited from their custodial accounts.

Apart from directly debiting clients' fees, our firm does not have actual or constructive custody of client funds or securities.

## **Item 16 Investment Discretion**

Individual Portfolio Management and Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

## **Item 17 Voting Client Securities**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain 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 client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We do not offer any consulting assistance regarding proxy issues to clients. Clients may contact their Investment Adviser Representatives with questions about a particular proxy solicitation.

## **Item 18 Financial Information**

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. USAdvisors Wealth Management, LLC has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

USAdvisors Wealth Management, LLC has not been the subject of a bankruptcy petition at any time during the past ten years.

## **Item 19 Information for State-Registered Advisers**

The following individuals are the principal executive officers and management persons of Grant Capital Partners, LLC:

### **Nathan Daniel Bergeland, Managing Member**

#### *Education:*

St. Olaf College, B.A., Economics

College for Financial Planning, Master's of Science, Certified Financial Planner®

#### *Experience:*

USAdvisors Wealth Management, LLC, Managing Member, 01/2010 to Present.

Securities America, Inc., Registered Representative, 08/2009 to Present

Financial Network Investment Corporation, Registered Representative, 01/1991 to 07/2009

**James Robert Eads, Chief Operating Officer**

*Education:*

Babson College, BS in Investments and MBA

*Experience:*

USAdvisors Wealth Management, LLC, Chief Operating Officer, 06/2011 to Present.

Securities America, Inc., Registered Representative, 09/2009 to Present

BI Investments, Registered Representative, 05/2003 to 10/2007

FISERVE Investor Services, Inc., Registered Representative, 07/2001 to 09/2002

NBC Capital Markets Group, Registered Representative, 12/2000 to 07/2001

**Michael J. Shovein, Chief Compliance Officer**

*Education:*

University of Minnesota, B.S. in English, 1972

College of St. Catherine, Masters of Organizational Leadership, 1999

*Experience:*

USAdvisors Wealth Management, LLC, Chief Compliance Officer, 01/2012 to Present

Kaplan Financial Education, C.E. Instructor, 12/2010 to Present

Securities America, Registered Representative, 03/2009 – 06/2010

Securities America Advisors, Inc., Investment Adviser Representative, 10/2009 - 06/2010

U.S. Advisor's Network, Compliance Director, 03/2009 – 07/2010

Ameriprise Financial Services, Registered Representative, 03/2002 – 03/2008

IDS Life Insurance Company, Insurance Agent, 10/1983 – 03/2008

Please refer to Item 10, "Other Financial Industry Activities and Affiliations", for information regarding other business activities of the firm and its management personnel.

We are required to disclose all material facts regarding certain legal or disciplinary events pertaining to arbitration awards or other civil, regulatory or administrative proceedings in which our firm or management personnel were found liable or against whom an award was granted.

Our firm and our management personnel have no reportable disciplinary events to disclose. As previously disclosed in "Other Financial Industry Activities and Affiliations" (Item 10), neither Grant Capital Partners, LLC nor our management personnel have a relationship or arrangement with any issuer of securities.