



Member FINRA / SIPC • Registered Investment Advisor

Appendix 1

Wrap Fee Disclosure Brochure

This brochure provides important information about the qualifications and business practices of USA Financial Securities Corporation. If you have questions about the contents of this brochure, please contact our compliance department at (888) 407-8198. The information contained in this document has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or any state securities authority. This brochure was last revised on March 30, 2020.

Additional information about USA Financial Securities is also available on the SEC's website at www.adviserinfo.sec.gov.

Please consider carefully before becoming a client. USA Financial Securities is an SEC registered adviser, SEC File No. 801-68276. SEC registration does not imply a certain level of skill or training.

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ITEM 2: MATERIAL CHANGES

USA Financial Securities' previous brochure update was March 30, 2019. Since then, we have not made material changes to our business operations or our ADV.

Please read the remainder of this brochure as it contains other important information related to our business. You may request a copy of our Brochure by contacting the compliance department at (888) 407-8198.

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

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ITEM 4: SERVICES, FEES AND COMPENSATION

Services

The primary purpose of this Appendix is to provide detailed information regarding our firm's wrap-fee programs. We offer two: one at Pershing and one at TD Ameritrade. A wrap-fee program bundles various services together and charges an all-inclusive fee, named a "wrap fee" because it wraps around all of the services rather than charging a separate fee for each service. USA Financial Securities receives a portion of the wrap fee, as does your investment adviser representative.

Because wrap-fee accounts are charged a monthly fee, these accounts are typically best suited for investors who anticipate engaging in moderate to high levels of investment activity within their account. Infrequent trading is not supported by this fee structure, and clients with very little trading activity or account management are often better served in a traditional commission-based brokerage account.

Fees and Compensation

Clients participating in USA Financial Securities' wrap-fee platforms will be charged a maximum fee of 2.7% annually. Fees may be negotiated between you and your investment adviser representative, provided that the negotiated fee does not exceed 2.7%. USA Financial Securities receives a portion of the fee, as does your investment adviser representative.

TD Ameritrade and Pershing will bill you for your account management fees no less than quarterly and will deduct the fees directly from your account. TD Ameritrade and Pershing are also responsible for sending you account statements. Your statements will show your account value and the fee charged. Statements are sent no less than quarterly. You may object to the fee deduction by notifying us at the address or telephone number shown on each billing invoice or by notifying your custodian. Please keep in mind that in addition to the quarterly paper statements you receive, you also have 24-hour online access to your account and statements. Please review your account statements carefully and contact us if you have questions.

USA Financial Securities' investment adviser representatives will manage your portfolio based on your stated needs, objectives, and risk tolerance. Your investment adviser representative receives between 70 and 100 percent of the management fee, which may be an incentive to recommend this wrap-fee program over other programs or services. However, USA Financial Securities monitors trading frequency, and if we do not believe your account activity warrants the wrap-fee, we will request that you move your account to either a transaction-based pricing account or a commission-based brokerage account.

Because wrap-fee programs charge a single fee for a range of services that could potentially be obtained separately, it is possible that our wrap fee may be more or less than the cumulative fees you would be charged if you obtained each service separately.

Other Manager Costs

In addition to the managers specifically referenced within this brochure, USA Financial Securities works with a number of third-party money managers. If you choose to utilize the services of the third-party money manager, you will complete that money manager's new account paperwork (in addition to USA Financial Securities') and each money manager is responsible for opening the account and managing the assets contained within the account. Please note that each manager will have its own fee schedule and will adhere to its preferred billing frequency and method (e.g., monthly in arrears or quarterly in advanced). Please review the third-party money manager's ADV carefully for important information related to their business and methods of operation.

As referenced elsewhere in this brochure, USA Financial Securities' billing frequency and method is monthly in arrears. However, some clients may transfer to us as part of a different billing frequency and methodology. In those instances, where USA Financial Securities has the power and ability to alter the billing arrangement, we will convert clients from their existing fee schedule to monthly in arrears. As the conversion process unfolds, some clients may be on different billing frequencies and methodologies than other clients for a period of time. Any clients who join USA Financial Securities on an in-advance billing

cycle but leave prior to completion of the conversion process and prior to the end of the billing cycle are entitled to a refund for the number of days between account termination and the end of the billing period. Please note, however, that this scenario is rare and there are only a limited number of accounts that require a conversion.

USA Financial Formulas Subadvisor

USA Financial Formulas is an affiliate of USA Financial Securities. Both companies are owned by USA Financial Corporation and are, therefore, affiliates by common ownership.

USA Financial Securities permits USA Financial Formulas to serve as a sub-advisor on our advisory accounts at our clients' discretion. You are not obligated to use USA Financial Formulas as a manager, it is simply an option available for those clients who would like active management and access to USA Financial Formulas strategies through USA Financial Securities.

Accounts using USA Financial Formulas as the subadvisor will receive USA Financial Formulas' disclosure brochure (if you choose this option, please review USA Financial Formulas' brochure carefully; it describes USA Financial Formulas' investment methodologies in detail and provides important information regarding the firm). If you choose to use USA Financial Formulas as a subadvisor, you will be subject to the fee schedule referenced in Item 5 – Fees and Compensation, in our standard Disclosure Brochure.

USA Financial Formulas' fees are deducted by the account custodians, TCA or TD Ameritrade.

USA Financial Exchange

The overall fee you pay for maintaining an account with USA Financial Exchange has four components, identified in more detail, below: the Platform Fee, Strategy Fee, EAS Annual Fee, and Advisory Fee. These four components combined equal the total fee you will pay.

PLATFORM FEE

USA Financial Exchange charges you a Platform Fee based on the assets in your account. The Platform Fee Schedule can be found in Item 5 – Fees and Compensation of our standard Disclosure Brochure

STRATEGY FEE

In addition to the Platform Fee, subadvisers (the third-party money managers who manage your assets) on our platform will also charge a fee ("Strategy Fee"). The Strategy Fee you pay depends on which subadvisor you select, but the fees typically range from 0.35% (35bps) to 1% (100bps). Please see USA Financial Exchange's Client Profile form in the new account application packet for a full listing of all specific fees and allocations.

USA Financial generally does not participate in the Strategy Fee. However, we do have subadvisers who provide USA Financial Exchange with a share of their revenue based on breakpoints – this does not increase the fee you are charged. The subadvisor simply provides USA Financial Exchange with a portion of the fee it collects.

EAS ANNUAL FEE

EAS also charges a \$75 annual per account fee ("EAS Annual Fee"). This fee is assessed by EAS – USA Financial Exchange does not receive a portion of this fee.

ADVISORY FEE

Additionally, each RIA/financial adviser will charge an advisory fee ("Advisory Fee") for the services provided to you. The Advisory Fee is assessed by your financial adviser's RIA and your financial adviser receives a portion of it. The Advisory Fee covers serviced provided to you by your financial adviser: investment advice, account monitoring, etc. USA Financial Exchange does not receive any portion of the Advisory Fee assessed by your financial adviser. The Advisory Fee and all other relevant fees and charges should

have been disclosed to you by – your financial adviser during the new-client and/or new-account process and incorporated into a written advisory agreement which you would have signed. You should also refer to your financial adviser’s RIA’s Form ADV 2A and the adviser’s fee schedule. Fees paid to your financial adviser in the form of an Advisory Fee are in addition to the fees paid to USA Financial Exchange.

The maximum fee permitted on USA Financial Exchange’s platform is 2.7% plus the \$75 annual custodian fee.

Other Advisers and Money Managers

For certain client assets and in very limited instances, USA Financial Securities outsources a portion of the investment management to United Capital Financial Advisers, LLC (“United Capital”), an investment adviser not affiliated with USA Financial Securities who serves as sub-adviser (“Sub-Manager”). This relationship is discussed fully in [Item 9 – Additional Information – Other Financial Industry Activities, below](#).

United Capital negotiates its fee schedule on a contract-by-contract basis and deducts fees directly from client accounts.

ITEM 5: ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

Your account value must be at least \$15,000 to participate in USA Financial’s wrap programs. Exceptions may be made, solely at the Firm’s discretion, based on such factors as prior or anticipated investment activity. USA Financial Securities monitors account values and may remove billing on your account if the account cannot maintain values exceeding \$15,000. USA Financial Securities may decide to permit accounts lower than the \$15,000 threshold to remain on the platform in our sole discretion.

Our wrap-fee programs service individual, corporate, and trust accounts. As discussed above, because asset-based pricing charges a fee monthly, regardless of whether you make trades in your account during a given quarter, the program is designed to accommodate accounts with moderate to high trading frequency. Therefore, as referenced above, USA Financial Securities monitors trading frequency, and if we do not believe your account activity warrants the wrap-fee, we will request that you move your account.

USA Financial Securities maintains affiliations with other money managers/investment advisers. Please see Item 9, [Additional Information – Other Financial Industry Activities](#) for a description of these arrangements. These money managers may impose account minimums or other thresholds that differ from USA Financial Securities’ own minimums or thresholds. It is important to understand that industry wide, if account minimums or other imposed thresholds are not maintained, investment advisers may terminate an account.

USA Financial Formulas Account Requirements

USA Financial Formulas requires a minimum account size of \$50,000 for those clients utilizing USA Financial Formulas as a subadviser. Please note that clients investing directly with USA Financial Formulas only have a \$35,000 minimum account requirement. Exceptions to this requirement may be made, solely in our discretion, based on a variety of factors, including but not limited to, prior or anticipated investment activity and family or employment relationships. We may also, in our discretion, aggregate related accounts in the same household in determining whether the account minimum has been met. Minimums may be negotiated depending on your personal circumstances. Furthermore, USA Financial Formulas also requires that clients invest at least \$15,000 in each model.

ITEM 6: PORTFOLIO MANAGER SELECTION AND EVALUATION

As referenced throughout this brochure, USA Financial Securities maintains relationships with a handful of managers, including two of our affiliates. For those clients not utilizing a subadviser or other manager, your investment adviser representative manages your accounts based on your investment objectives and financial holdings.

Advisory Business

USA Financial Securities is an investment adviser registered with the United States Securities and Exchange Commission ("SEC"). Our firm is also registered as a broker-dealer. USA Financial Securities was founded in 1998 and is a wholly owned subsidiary of USA Financial Corporation. Michael Walters and Brent Enders own USA Financial Corporation.

Our firm utilizes investment adviser representatives. Our representatives frequently work with individuals who are either planning for retirement or are currently retired, however, neither our firm nor our representatives specialize in any specific area or type of investment advice. As of March 30, 2020, our firm was managing approximately \$181 million in assets – with \$81 million being managed on a discretionary basis.

Financial Planning Services

USA Financial Securities' representatives provide financial planning services. Financial planners use a comprehensive planning method. They help clients set and achieve long-term financial goals through investments, tax planning, asset allocation reviews, risk management analyses, retirement planning and estate planning. USA Financial Securities collects important financial information from you, and we use that information, along with any additional information you communicated to your financial professional, to develop a plan designed to meet your unique goals and objectives.

Financial planning fees may be charged in addition to commissions or asset under management fees. You are not obligated to follow USA Financial Securities' recommendations or to pursue the recommendations through USA Financial Securities. As the client, you have control over your investment decisions – you may place restrictions on investing in certain types of securities or engaging in various investment activities. It is important that you communicate your investment goals and objectives, including any restrictions, to your investment adviser representative. An open and honest dialogue between you and your financial professional will help facilitate a successful working relationship.

Investment Advice

USA Financial Securities' investment adviser representatives also offer advice regarding a wide variety of investment products, including, but not limited to, the following:

- Unit investment trusts;
- Annuities (fixed, fixed index, and variable);
- Mutual funds and exchange-traded funds;
- Stocks and bonds;
- Brokerage accounts; and,
- Certificates of deposit.

Our investment advice is designed to help you achieve your financial goals and objectives, as communicated by you.

Performance-Based Fees and Side-By-Side Management

USA Financial Securities does not charge performance-based fees. Our representatives may charge you a comprehensive financial planning fee and also receive an asset-based fee.

Side-by-side management occurs when an investment adviser manages both performance-based fee accounts and non-performance-based fee accounts at the same time. Side-by-side management can result in conflicts of interest because there is an incentive to direct clients to performance-based fee accounts because the firm will, most likely, receive more fees. However, because USA Financial Securities does not charge performance fees, we do not engage in side-by-side management and have no conflicts of interest relevant to side-by-side management.

Methods of Analysis, Investment Strategies, and Risk of Loss

Methods of Analysis and Investment Strategies

USA Financial Securities' investment adviser representatives may utilize many different methods of analysis when developing your specific financial plan. For example, your investment adviser may review past investments that you made and compare those investments with your current objectives to determine whether those investments are still a good fit, or he or she may use software to design a plan that supplements your current plan.

Your investment goals are always considered when analyzing an investment, and regardless of which analysis method your investment adviser representative uses, any analysis is conducted based on your unique and specific investment objectives. Your investment adviser representative will review your investment objectives and help you design an investment strategy or make investment decisions that will attempt to further those objectives.

Risk of Loss

All investments bear different types and degrees of risk. Our wrap-fee programs are used for making securities investments. Investing in securities involves risk of loss, which you need to be prepared to bear.

While our investment advice is designed to provide appropriate investment diversification, some investments have significantly greater risks than others. Obtaining higher rates of return on investments entails accepting higher levels of risk. Our firm's investment advice seeks to balance risks and rewards to achieve investment objectives. It is important that you ask your investment adviser representative questions and that you request clarification if you do not understand the risks associated with a particular investment or strategy.

We strive to render our best judgment on behalf of our clients. Still, we cannot guarantee that your investments will be profitable or that there will be no losses in your investment portfolio. It is important for you to understand that while past performance is an important consideration with respect to any investment or investment adviser but is not a reliable predictor of future performance. We continuously strive to provide outstanding long-term investment performance, but many economic and market variables beyond our control can affect the performance of an investment portfolio.

Voting Client Securities

USA Financial Securities will not be responsible for responding to proxies that are solicited with respect to annual or special meetings of shareholders of securities held in your account. Proxy solicitation materials will be forwarded to you for response and voting.

Please also note that USA Financial Securities will not be obligated to act or render any advice involving legal action on behalf of its clients with respect to securities or other investments held in an account, or the issuers thereof, which become the subject of legal notices or proceedings, including bankruptcies.

ITEM 7: CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

USA Financial Securities does not utilize traditional money managers. As stated above, your investment adviser representative manages your account based on your investment goals and objectives. Your investment adviser representative has access to the information you provide to USA Financial Securities, as well as any additional information you choose to share.

ITEM 8: CLIENT CONTACT WITH PORTFOLIO MANAGERS

Because your portfolio manager is your representative, there are no restrictions on your ability to speak or meet with your investment adviser representative, other than ordinary scheduling conflicts.

ITEM 9: ADDITIONAL INFORMATION

Disciplinary Information

Neither USA Financial Securities nor its owners, officers, or directors have ever been involved in a material, disciplinary action.

Other Financial Industry Activities and Affiliations

Other Financial Industry Activities

As referenced elsewhere in this brochure, USA Financial Securities also conducts business as a broker-dealer. As a broker-dealer we are regulated by the SEC, FINRA, and state securities regulators. Our SEC file number is 8-52342, and our CRD number is 103857.

Most of our Firm's investment adviser representatives are also registered representatives of USA Financial Securities. The amount of time each representative spends on securities brokerage, investment adviser, insurance and other activities varies from representative to representative. You should always feel free to ask your adviser representative about their service activities.

Other Financial Industry Affiliations

USA Financial Securities is a wholly owned subsidiary of USA Financial Corporation. USA Financial Corporation also owns five other public-facing companies: USA Financial Exchange Corporation, USA Financial Insurance Services Corporation, USA Financial Formulas Corporation, USA Financial Marketing Corporation, and USA Financial Protocol. USA Financial Securities is an SEC-registered investment adviser and broker-dealer. USA Financial Insurance Services Corporation wholesales fixed insurance products to independent insurance agents. USA Financial Formulas is an SEC-registered investment adviser. USA Financial Marketing develops and distributes marketing and technology solutions for financial professionals. USA Financial Protocol provides business consulting and branding services to financial advisers.

Michael Walters is the chief executive officer of USA Financial and all subsidiaries and Brent Enders is the president.

USA Financial Securities obtains many of its representatives through its affiliates. Advisers who connect with USA Financial through one subsidiary typically elect to utilize USA Financial Securities as their broker-dealer/registered investment adviser. Additionally, USA Financial Securities maintains expense-sharing agreements with its affiliates whereby certain administrative expenses are shared by between two entities. These expenses include, but are not limited to, equipment rental, telephone services, health insurance, cleaning services and a security system. These arrangements are essential to USA Financial Securities' ability to provide services to its clients.

USA Financial Formulas and USA Financial Exchange

The two most significant affiliate relationships for purposes of our advisory business occur between USA Financial Formulas and USA Financial Exchange. USA Financial Securities' relationship with USA Financial Formulas and USA Financial Exchange are discussed above, as well as in our Firm Brochure. Please also review USA Financial Formulas' and USA Financial Exchange's Disclosure Brochures for more information.

Other Affiliations

For certain client assets and in very limited instances, USA Financial Securities outsources a portion of the investment management to United Capital Financial Advisers, LLC ("United Capital"), an investment adviser not affiliated with USA Financial Securities who serves as sub-adviser ("Sub-Manager"). Additional details regarding this relationship can be found in our Disclosure Brochure.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

USA Financial Securities conducts its advisory business professionally and ethically, adhering at all times to relevant rules, laws, and guidelines. Accordingly, pursuant to Rule 204A-1 of the Investment Advisers Act of 1940, we have adopted a *Code of Ethics*. Copies will be provided upon request.

Participation or Interest in Client Transactions

USA Financial Securities or its representatives may buy or sell securities for its or their own account(s) ("Proprietary Account(s)"), securities that we recommend to our clients, including clients that are related persons. Neither our firm nor our related persons are permitted to enter into or have an interest in an investment transaction that would create a conflict between our interests and your interests without fully disclosing the conflict to you. Neither our firm nor our related persons are permitted to benefit, directly or indirectly, from transactions made in your account. Proprietary Accounts may benefit on the same basis and to the same extent as clients' accounts when each holds the same investment. We do not allow "cross transactions" between clients or between clients and Proprietary Accounts.

Personal Trading

Generally, investments may only be purchased for proprietary accounts simultaneously or after client purchases. Investments may only be sold simultaneously or after client sell-orders are completed. Exceptions may be made for personal securities trades that we believe do not involve potential conflicts of interest, such as open-ended mutual funds, U.S. Treasury securities, and small amounts of stock or closed-end funds that have very large market capitalization and/or very high average trading volume.

Review of Accounts

USA Financial Securities reviews every client account prior to the account being established. Before USA Financial Securities will execute an investment advisory agreement with you, we require your investment adviser representative to submit, along with the investment advisory agreement, a written document evidencing your financial plan. We use the information you provided on your Client Profile, along with the written financial plan, to determine the suitability of your investment adviser's recommendations.

After your investment advisory agreement is established, USA Financial Securities will send you a written report regarding your account. The report will document the basic information you provided on your client profile – such as, net worth, annual income, and investment objective. USA Financial Securities uses this information to perform its initial and ongoing suitability reviews, therefore, it is important to review this report and if you see any information that does not appear to be accurate, contact USA Financial Securities immediately.

Furthermore, as stated above, because wrap-fee accounts are charged a monthly fee, these accounts are typically best suited for investors who anticipate engaging in moderate to high levels of investment activity within their account. Infrequent trading is not supported by the fee structure, and clients with very little trading activity or account management are better served in a traditional commission-based brokerage account. Therefore, USA Financial Securities monitors your account activity, to determine whether a wrap-fee account is the best option, or whether you would be better suited in a traditional brokerage account. If we review the account and determine that your trading activity does not warrant a wrap-fee account, we will contact your investment adviser representative and request that you switch your account.

Order Aggregation

Through our custodians, USA Financial Securities has the ability to aggregate client orders when an investment adviser representative is executing trades in the same securities across multiple client accounts. This feature is only available to those investment adviser representatives who have been granted discretionary authority and who are utilizing block trading (block trading provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts). Where orders have been aggregated, they will be allocated out to clients on a pro-rata basis. Clients of investment adviser representatives not authorized to utilize discretionary trading and/or clients of investment adviser representatives not utilizing block trading may pay higher execution costs.

Trade Errors

USA Financial Securities has adopted trading policies and procedures, as may be amended from time to time, to address various issues related to trading, including, but not limited to, trade errors. Trade errors are unintentional mistakes, such as purchasing (or selling) an incorrect amount of a security or entering the wrong trading symbol. USA Financial Securities' trade desk monitors for trade errors and is responsible for ensuring that any trade errors are reasonably corrected. Additionally, investment adviser representatives are responsible for reporting trade errors to USA Financial Securities' trade desk immediately upon realizing an error occurred. Investment adviser representatives are not permitted to correct errors themselves.

Client Referrals and Other Compensation

Client Referrals

USA Financial Securities does not compensate any person or company, directly or indirectly, for client referrals.

Other Compensation

Because USA Financial Securities is a registered broker-dealer, the firm may receive commissions on any products that you purchase through the broker-dealer. This may or may not create a conflict of interest. Furthermore, commissions paid to USA Financial Securities may be higher or lower than those obtainable at other broker-dealers.

Many of USA Financial Securities' investment adviser representatives are also registered representatives of our broker-dealer. These representatives, may receive additional compensation and/or commissions from the purchase and sale of stocks, mutual funds, variable annuities, other investment and insurance products through the broker-dealer. This compensation includes 12b-1 fees.

12b1 Fee Offset Policy

USA Financial Securities is dually registered as both an investment adviser and a broker-dealer. As a broker-dealer we receive 12b1 fees (sometimes called "trail commissions") from the sale of certain share classes of certain mutual funds. As an investment adviser, we strive to provide objective investment advice when we make recommendations, including the selection of mutual funds and share classes. In order to mitigate the conflict of interests, we have adopted a "fee off-set" policy ("12b1 Fee Off-set Policy"). For additional, more detailed information regarding our 12b1 Fee Off-set Policy, please see Item 5 – Fees and Compensation in our Disclosure Brochure.

Additionally, in order to provide the best service possible, USA Financial Securities offers clients the opportunity to invest with outside, third-party money managers. These arrangements generally work one of two ways. If USA Financial Securities refers you to a third-party money manager, our firm is considered to be the solicitor, and the third-party money manager is the registered investment adviser. However, some third-party money managers simply provide investment platforms for USA Financial Securities to utilize, and while the third-party money manager executes trades and directs the management of your assets, USA Financial Securities retains its investment adviser status. Under both of these arrangements, USA Financial Securities receives a fee from the third-party. Our fee is a portion of the third-party adviser's fee that you paid, as the client.

Finally, it is standard industry practice for registered representatives of broker-dealers to have marketing agreements with product suppliers. These suppliers may include mutual fund companies, variable annuity companies, unit investment trust companies or real estate investment trusts. These marketing agreements provide for payment of marketing expenses to the selling broker-dealer or its registered representative in addition to commissions. These fees are not normally a direct expense of a particular product but are paid by the sponsoring company to make up for costs incurred by the broker-dealer or its registered representative for marketing the product. USA Financial Securities employs investment adviser representatives, who in their capacity as registered representatives of a broker-dealer, may receive marketing allowances through their broker-dealer with respect to recommended products.

Financial Information

Because USA Financial Securities has discretionary authority over client accounts, we are required to disclose, to you, whether any financial conditions exist that would be likely to impair our ability to meet contractual commitments. We are pleased to report that no such financial issues or conditions exist at this time.

[Signatures required on the following page]

ACKNOWLEDGMENT OF RECEIPT

By signing below, I/we certify that I/we have received and read carefully this WRAP-FEE DISCLOSURE BROCHURE and had the opportunity to ask such questions as may have occurred in reading and/or discussing the services provided and the costs of those service.

Client Name (Print)

Joint Client Name (Print)

Client Signature

Date

Joint Client Signature

Date