

## Item 1 – Cover Page



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**January 2021**

This Brochure provides information about the qualifications and business practices of United Advisors America. If you have any questions about the contents of this Brochure, please contact Price B. Peddicord, Chief Compliance Officer, at (469) 481-1029. 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.

United Advisors America is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training.

Additional information about United Advisors America is also available via the SEC's website [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov). You can search this site using the advisor's name or by an its CRD number 147350.

## **Item 2 – Material Changes**

This Item 2 discusses the firms material changes made since its last annual updating amendment filed on March 16, 2020. It does not describe other changes to this Brochure, such as updates to dates and numbers, stylistic changes, or clarifications.

### **Item 9 – Disciplinary Information:**

This item has been updated to reflect a lawsuit against an advisory affiliate in 2008 regarding the unauthorized practice of law. The final order was entered in 2010 including an injunction and an order to pay disgorgement.

You can request a copy of this Brochure by contacting Price B. Peddicord, Chief Compliance Officer, at (469) 481-1029.

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### **Important Information**

Throughout this document United Advisors America shall also be referred to as “UAA”, “firm,” “our,” “we” or “us.” These terms are utilized for the reader’s ease of use while reviewing the brochure and are not meant to imply the firm is larger than it is at the time of publication. The client or prospective client may be also referred to as “you,” “your,” etc., and refers to a client engagement involving of a single *person* as well as two or more *persons*. The term “advisor” and “adviser” are used interchangeably where accuracy in identification is necessary (i.e., Internet address, etc.).

## **Item 4 – Advisory Business**

### **A. Advisory Firm**

United Advisors America is a privately owned, registered investment advisor that has been in business since 2008. UAA is wholly owned by Follett Financial Holdings, LLC, a Texas limited liability company.

### **B. Advisory Services**

Our advisory business focuses on individuals, especially those at or near retirement age, and pension and profit-sharing plans. Upon execution of an Investment Management Agreement, UAA provides Investment Management Services. We define these services as giving continuous investment advice to a client and recommending investments for that client based on his or her individual needs or advising a plan sponsor regarding the investments to be offered to plan participants and assisting plan participants with selection of appropriate investments from those offered.

We offer a customized investment program for clients. An investment strategy is selected based on that client's goals and objectives. Clients can select either discretionary or non-discretionary investment management services. If discretionary services are selected, UAA will make all decisions regarding buying, selling, and holding securities based upon the client's investment objectives. If non-discretionary services are selected, UAA will provide recommendations, but the client will make all trading decisions.

### **C. Individually Tailored**

UAA tailors its advisory services to meet the individual needs of the client. We will identify the needs, goals and risk tolerances of a client prior to recommending an asset allocation strategy. Some of the variables considered include growth, income, tax efficiency, and investment timeline.

Clients may impose reasonable restrictions on investing in certain securities and types of securities. For example, clients can request socially responsible investments. These restrictions must be provided in writing.

### **D. Wrap Fee Programs**

UAA does not sponsor or participate in a wrap fee program.

## **E. Assets Under Management**

UAA had \$128,789,738 in assets under management as of December 31, 2020. The assets are in both discretionary (\$105,693,935) and non-discretionary accounts (\$23,095,803).

## **Item 5 – Fees and Compensation**

### **A. Fee Description and Schedule**

Pursuant to a written agreement with each client, UAA charges a rate per annum multiplied by the assets under management. UAA bills this annual advisory fee quarterly, in arrears, based on the market value of the account, as determined by the account custodian, on the last business day of the quarter. Fees are pro-rated for accounts initiated or terminated during a calendar quarter. Fees may be householded for billing purposes. UAA may waive, in whole or in part, management fees for friends, relatives, or others with whom the Firm or Representative has established personal or family relationships.

<u>Assets Under Management</u>	<u>Annual Fee</u>
Up to and including \$1,500,000	1.0%
\$1,500,001 up to and including \$2,500,000	0.8%
Over \$2,500,001	0.6%

### **B. Fee Deduction**

As authorized by each client in writing, UAA will deduct its advisory fees directly from the client's account. The client's account custodian will send account statements, at least quarterly. Account statements will show all disbursements from the account, including the amount of the advisory fees which were deducted directly from the account, if any.

Alternatively, Clients may pay fees directly to the UAA. For clients that pay directly, payment is due upon receipt of the billing statement.

### **C. Third Party Fees and Expenses**

UAA's advisory fees do not include brokerage commissions, transaction fees, and other related costs and expenses, for which the client is responsible. Client may incur certain charges imposed by custodians, broker-dealers, third-party investment companies and other third parties such as fund manager's management fees, custodial fees, sales loads, deferred sales charges, 12(b)-1 fees, surrender charges, variable annuity fees and surrender charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge

internal management fees, which are disclosed in a fund's prospectus. UAA will not receive any portion of these fees or charges.

#### **D. Termination**

Either party may terminate the Investment Management Agreement upon 30 days' written notice to the other party. If services are terminated within five (5) business days of executing the Investment Management Agreement, services will be terminated without penalty and no fees shall be due. If services are terminated after the initial five (5) business day period, UAA will prorate any fees due and bill them to client.

If either party terminates the relationship, the termination becomes effective on the 31<sup>st</sup> day after written notification is delivered to the other party, or at another time to which the parties agree, subject to the settlement of transactions in progress and the final payment of advisory fees. There will be no penalty charge upon termination.

Upon termination of any account, earned, unpaid fees will be immediately due and payable.

#### **E. Transactional Compensation**

All of our representatives and executive officers, with the exception of the CCO, are also agents for Alliance America Corporation, an insurance agency which is licensed to offer life and health insurance products. Alliance America Corporation is an advisory affiliate of UAA because it's owned by the same individuals.

When acting in their capacity as insurance agents, our representatives, and executive officers are able to recommend insurance, annuity, health and long-term care insurance products. Any insurance product sales will result in the agent receiving a commission from the insurance carrier.

This results in conflicts of interest for our representatives and executive officers. First, the receipt of commissions provides an incentive to the representative to recommend these products. Second, representatives will only recommend insurance products of those insurance companies for whom they are sales agents and with which they are familiar with the benefits, exclusions and other terms. Finally, our representatives can only offer insurance products through Alliance America Corporation.

These conflicts of interest are mitigated in several ways: representatives have access to a considerable number of different insurance products offered by numerous insurance companies; clients are not obligated to purchase recommended insurance products in order to remain a client of UAA; all insurance product purchases are subject to the insurance company's suitability

requirements and review; UAA discloses these conflicts to our clients; and finally, we conduct our operations in accordance with our fiduciary duty and the firm's code of ethics.

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

UAA does not charge performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **Item 7 – Types of Clients**

UAA offers its services to the following types of clients: individuals and high net worth individuals, their trusts and estates, and pension and profit-sharing plans.

We do not have an account minimum requirement.

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

### **A. Analysis and Investment Strategies**

**Modern Portfolio Theory (“MPT”).** UAA's investment philosophy is based on MPT. The essence of MPT is to maximize a portfolio's expected return given a level of risk. This outcome is achieved through diversification, investing in asset classes, and having a long-term investment time horizon (generally a minimum of three years).

One of the risks of asset allocation is that a client may or may not participate in sharp increases in a security, industry, or market sector. Another risk is that the ratio of equities, fixed income, and cash will change over time due to market movements and, if not adjusted, will no longer be appropriate for the client's goals. To overcome this, each asset in a portfolio is given a target percentage and a tolerance band that indicates if an asset is over/under weighted. Our model portfolios are reviewed on a quarterly basis and will be rebalanced, as necessary.

**Mutual Fund and ETF Analysis.** When choosing the mutual funds or ETFs, UAA evaluates and selects the institutional fund managers based upon (i) their performance relative to their peer group, (ii) their performance relative to assumed risk, (iii) the inception date of the product, (iv) the correlation relative to their peer group, (v) the assets they have under management, (vi) their consistency between their holdings and their investment style, (vii) the expense ratios or fees charged, and (viii) the stability of the organization.

The experience and track-record of the manager of the funds is reviewed to determine if that manager has demonstrated an ability to invest over time and in different economic conditions. The underlying assets in a fund are reviewed to determine if there is significant overlap in the

underlying investments held in other fund(s) in the portfolio. The funds are monitored to determine if they are continuing to follow their stated investment strategy.

The methods of analysis and investment strategies UAA follows are utilized across all of our clients, as applicable. One method of analysis of investment strategy is not more significant than the other as we consider the client's portfolio, risk tolerance, time horizon, and individual goals.

United Advisors America does not limit its recommendations to particular types of securities however, we primarily invest in exchange traded funds and mutual funds.

## **B. Risks Based on Analysis, Strategy or Security Type**

**In General.** Investing in securities involves a number of risks that the clients need to be prepared to bear. Some of these are risk of loss/market risk, inflation risk, risk of lost opportunity, and interest rate risk. Loss/market risk is risk that value of an investment at liquidation will be less than original investment. Clients may lose their entire investment in securities. Inflation risk is the risk that the increase in a security's value will be less than the rate of inflation. Opportunity risk is risk created by selecting one investment in place of another which may have a greater return. Interest rate risk is the risk caused by changing interest rates. Different securities, and different types of securities, are exposed to risks in different ways and to different degrees.

**Modern Portfolio Theory ("MPT").** One of the risks of MPT is that a client may participate in sharp increases in a security, industry, or market sector. Another risk is that the ratio of equities, fixed income, and cash will change over time due to market movements and, if not adjusted, will no longer be appropriate for the client's goals. To overcome this, each asset in a portfolio is given a target percentage and a tolerance band that indicates if an asset is over/under weighted. Our model portfolios are reviewed on a quarterly basis and will be rebalanced, as necessary.

**Exchange Traded Funds ("ETFs").** ETFs are traded on stock exchanges or on the over-the-counter market. An investment in an ETF generally presents the same primary risks as an investment in a conventional mutual fund (see below) that has the same investment objectives, strategies, and policies. The price of an ETF can fluctuate up or down, and a client account could lose money investing in an ETF if the prices of the securities owned by the ETF go down. In addition, ETFs are subject to the following risks that do not apply to conventional mutual funds:

- The market price of an ETFs shares may trade above or below their net asset value;
- An active trading market for an ETF's shares may not develop or be maintained; or
- Trading of ETFs shares may be halted if the listing exchange's officials deem such action appropriate, the shares are delisted from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally.

**Mutual Funds.** Mutual Funds are managed independently of a client's account. With all investments, past performance does not guarantee future results. A mutual fund manager who has been successful in the past may not be able to replicate that success in the future. In addition, UAA has no control of the underlying investments in a fund, managers of different funds held by the client may purchase the same security, thus increasing the risk to the client if that security were to fall in value. An additional risk is that a manager may deviate from the stated investment mandate or strategy of the fund, a circumstance that could make the holding(s) less suitable for the client's portfolio. Additionally, these investments are subject to the same risks as the underlying investments.

## **Item 9 – Disciplinary Information**

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the firm or the integrity of our management. UAA has not experienced any disciplinary or legal events. It is, however, required to disclose the following regarding an advisory affiliate. "Advisory affiliates" include the advisor's officers, partners, directors, person(s) with direct or indirect control, employees and representatives.

In 2011, two of the members of Follett Financial Holdings, LLC were officers of another corporation which operated as a life insurance agency. This agency was the subject of a Market Conduct Examination by the Indiana Commissioner of Insurance (ICI) which started in 2010. The subject of a market conduct examination is expected to pay the associated legal fees. The legal fees associated with this exam were substantial and the company, which later became insolvent, was unable to pay them. On August 18, 2011, the ICI entered a Final Order that imposed a fine and revoked the company's insurance license in the State of Indiana for non-payment of the legal fees. The examination did not find any substantive violations of insurance regulations. None of UAA's officers were an officer of this company at the time the Final Order was entered.

In 2008 the members of Follett Financial Holdings, LLC were named, as the owners of an Insurance Marketing Organization (IMO), in a lawsuit between the Indiana State Bar Association and the IMO. The IMO also provided individuals with access to certain estate planning services. The court found the attorneys drafting documents were not sufficiently independent, and that the company had engaged in the unauthorized practice of law. The company was enjoined from the unauthorized practice of law and ordered to pay disgorgement and other costs and expenses. The company was not involved in the management of securities.

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

### **A. Relationship with a firm regulated by FINRA**

UAA has no relationships to disclose.

### **B. Relationship with a firm regulated by the CFTC**

UAA has no relationships to disclose.

### **C. Other Relationships – Conflicts of Interest**

All of our representatives and executive officers, with the exception of the CCO, are also agents for Alliance America Corporation, an insurance agency which is licensed to offer life and health insurance products. Alliance America Corporation is an advisory affiliate of UAA because it's owned by the same individuals.

When acting in their capacity as insurance agents, our representatives are able to recommend insurance, annuity, health, and long-term care insurance products. Any insurance product sales will result in the agent receiving a commission from the insurance carrier.

This results in conflicts of interest for our representatives. First, the receipt of commissions provides an incentive to the representative to recommend these products. Second, representatives will only recommend insurance products of those insurance companies for whom they are sales agents and with which they are familiar with the benefits, exclusions, and other terms. Finally, our representatives can only offer insurance products through Alliance America Corporation. These conflicts of interest are mitigated in several ways: representatives have access to a considerable number of different insurance products offered by numerous insurance companies; clients are not obligated to purchase recommended insurance products in order to remain a client of UAA; all insurance product purchases are subject to the insurance company's suitability requirements and review; UAA discloses these conflicts to our clients; and finally, we conduct our operations in accordance with our fiduciary duty and the firm's code of ethics.

### **D. Recommendations to and Referral Fees from Other Investment Advisers**

UAA has no relationships to disclose.

## **Item 11 – Code of Ethics, Client Transactions and Personal Trading**

### **A. Code of Ethics**

UAA has adopted a Code of Ethics for all of our Access Persons. This code describes our standards of business conduct reflecting our fiduciary obligations. The code includes provisions

covering compliance with Federal securities laws; the prohibition on insider trading; reporting and approval of outside business activities; restrictions and reporting on the delivery or receipt of gifts and entertainment; and the pre-clearance, reporting and review of personal securities transactions, among other things. UAA requires all of our Access Persons to acknowledge the terms of the code annually, and as amended.

UAA will provide a copy of its Code of Ethics to a client or prospective client upon request.

## **B. Material Financial Interest in Securities**

UAA does not have a material financial interest in the securities that it recommends, buys, or sells its clients.

## **C. Same Securities**

Our officers, directors, and employees may trade for their own accounts in securities which are recommended to, or purchased for, our clients, if these transactions comply with relevant laws, regulations, and our Code of Ethics.

The Code of Ethics is designed to ensure that the personal securities transactions, activities and interests of our employees will not interfere with making decisions in the best interest of advisory clients and implementing those decisions while, at the same time, allowing employees to invest for their own accounts.

Under the Code, we have designated certain classes of securities as exempt transactions, having determined that these would not materially interfere with the best interest of our clients. In addition, the Code requires preclearance of many transactions, and restricts trading in close proximity to client trading activity. 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 prevent conflicts of interest between UAA and its clients.

## **D. Concurrent Securities Transactions**

The firm does not combine, aggregate, or “bunch” (also known as a block trade) an order entered for a client with orders entered for the same security for other clients, officers, directors, or employees.

## **Item 12 – Brokerage Practices**

### **A. Selecting and Recommending Broker-Dealers**

UAA recommends a broker-dealer for custodial and execution services. UAA will choose the broker-dealer it recommends based on execution and custodial services offered, cost, quality of service and industry reputation. It will consider factors such as commission price, speed and quality of execution, client management tools, research, and convenience of access for both the firm and client. Clients may pay commissions higher than those obtainable from other broker-dealers in return for these products and services. While competitive rates are a factor, UAA may not necessarily obtain the lowest possible commission rates for client account transactions. UAA evaluates the overall services provided by the broker-dealer to determine best execution and periodically reviews these against other broker-dealers.

UAA has selected TD Ameritrade Institutional, Division of TD Ameritrade, Inc. member FINRA/SIPC as its Custodian for client accounts and its broker for the execution of client transactions. Not all investment advisory firms require clients to use a specified Custodian. UAA expects to do most of its trading through its Custodian, however, does have authority to utilize an alternative broker-dealer, as appropriate.

### **Research and Soft Dollar Benefits**

The term “soft dollars” refers generally to the practice by investment advisers of paying for research and brokerage services using brokerage commissions generated by the execution of trades for their clients’ accounts. UAA has no formal soft dollar relationships with the custodians/brokers that we have selected.

However, we do receive research and other products or services from these custodians/brokers. Our custodians/brokers provide us with access to their institutional trading and custody services, which are typically not available to retail investors. These services generally are available to independent investment advisors at no charge to them so long as the independent investment advisors maintain a minimum amount of assets with the custodian/broker.

Services that we may receive include, but are not necessarily limited to: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk; access to block trading which provides the ability to aggregate securities transactions and allocate the appropriate shares to client accounts; the ability to have investment advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; and access to mutual funds that generally require significantly higher minimum initial investments or are generally only available to institutional investors.

Our custodians/brokers also make available to us other products and services that benefit our firm but may not benefit clients' accounts. Some of these other products and services assist us in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmation and account statements); provide research, pricing information and other market data; facilitate payment of the firm's fees from its clients' accounts; and assist with back office functions; record keeping and client reporting. Many of these services generally may be used to service all or a substantial number of our accounts, including accounts not maintained at a recommended custodian. We also receive other services intended to help our firm manage and further develop our business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing.

Our selection of the custodians/brokers may be based in part on the benefit to us in 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 creates a conflict of interest.

#### Brokerage for Client Referrals

UAA does not receive client referrals from custodians/broker-dealers.

#### Directed Brokerage

UAA does not allow clients to direct execution of transactions through a specified broker-dealer.

### B. Aggregating Transactions

The firm does not combine, aggregate, or “bunch” (also known as a block trade) an order entered for a client with orders entered for the same security for other clients, officers, directors, or employees.

## Item 13 – Review of Accounts

### A. Periodic and Non-Periodic Account Review

Our model portfolios are reviewed on a quarterly basis by our Investment Committee and will be adjusted, as necessary. Additionally, UAA conducts annual account reviews for its clients. The calendar is the main triggering factor in scheduling an account review, although an account review may be triggered by a client request or by changes in the client's circumstances, financial condition or investment objectives, as well as market conditions.

The Company's advisors will contact clients annually for the purpose of reporting on the review of his or her account and discussing if changes in the client's financial situation or investment

objectives have occurred, requiring an adjustment in investments. The report is made verbally. UAA does not provide different levels of review dependent upon amount of client's assets. The reviewers are instructed to determine if client's investments meet their current needs and goals. Reviewers are instructed to pay special attention to confirming that clients have adequate monthly income. In addition to being investment adviser representatives, reviewers are also licensed insurance agents.

## **B. Reporting**

Clients will receive written or electronic statements, at least, quarterly from the Custodian that maintains their accounts. In addition, clients may request performance reports which UAA will retrieve from Custodian.

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

### **A. Economic Benefit**

See – Item 12: Brokerage Practices.

### **B. Referrals**

UAA and its representatives do not compensate others for client referrals.

## **Item 15 – Custody**

UAA is deemed to have custody of a client's cash and securities to the extent that we have the authority to deduct advisory fees directly from clients' accounts. We do not intend to have physical possession of the cash or securities in client accounts at any time. In general, all cash and securities owned by clients will be held by the Custodian. Clients should receive, at least, quarterly statements from the broker-dealer, bank, or other qualified Custodian that holds and maintains client's investment assets. Clients should carefully review these statements. The Custodian's valuation of the client's investment assets will be used for billing purposes.

## **Item 16 – Investment Discretion**

Pursuant to the Investment Management Services Agreement, UAA accepts discretionary authority from its clients to select the identity and amount of securities to be bought or sold, as well as, the broker-dealer or other counterparty to be used for transactions and the negotiation of commission rates and other consideration to be paid by clients. When exercising its discretionary authority, UAA observes the written investment objectives, limitations and restrictions provided by its clients.

UAA also offers non-discretionary services. If non-discretionary services are selected, UAA will provide recommendations, but the client will make all trading decisions.

### **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, UAA does not have any authority to, and will not, vote or exercise similar rights for client securities. All voting rights associated with any security or other property held in the portfolio shall be the responsibility of the client. For participants in employer-sponsored retirement plans, the responsibility for all voting or similar rights associated with any security of other property held in the portfolio shall be outlined by the plan.

UAA will not advise or act for the client in any legal proceedings, including bankruptcies and class actions, involving securities held or previously held by the portfolio of the issuers of those securities.

### **Item 18 – Financial Information**

UAA does not have a financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding. Advisor does not require prepayment of fees of \$1,200 or more, six months or more in advance.