

## Item 1 – Cover Page

United Capital Management of Kansas, Inc.  
227 North Santa Fe  
Salina, KS 67401  
785-823-7900  
[www.ucmofkansas.com](http://www.ucmofkansas.com)

### **Other Locations:**

307 N. Spruce Street  
Abilene, KS 67410  
785-263-3640

2010 Central Avenue, Dodge  
City, KS 67801.  
620-227-5115

345 N. Moonlight Road  
Gardner, KS 66030  
913-549-9578

1108 7th Street  
Alma, NE 68920  
308-928-1002

115 North Kansas,  
Norton, KS 67654  
785-874-3202

2707 West Douglas, Suite B,  
Wichita, KS 67213  
316-854-3159

Date of Brochure: March 2021

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This brochure provides information about the qualifications and business practices of United Capital Management of Kansas, Inc. If you have any questions about the contents of this brochure, please contact Chad Koehn at 785-823-7900 or [ckoehn@unitedcapitalgroup.net](mailto:ckoehn@unitedcapitalgroup.net). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about United Capital Management of Kansas, Inc. is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our firm's information on this website by searching for United Capital Management of Kansas, Inc. You may search for information by using the firm's CRD number. The CRD number for United Capital Management of Kansas, Inc. is **CRD # 157755**

\*Registration as an investment advisor does not imply a certain level of skill or training.

## Item 2 – Material Changes

Since the last annual update in March 2020, we have made the following material changes to this brochure:

- In April 2020, United Capital Management of Kansas decided to participate in the Payroll Protection Plan program through the U.S. Small Business Administration. Please refer to **Item 18 – Financial Information** for more specific information.
- We have updated the amount of client's asset we are currently managing. Please refer to **Item 4 - Advisory Business** for more information.
- We added one branch location. 345 N. Moonlight Road, Gardner, KS 66030. We have updated language regarding Solicitors. Please refer to **Item 14 – Client Referrals and Other Compensation** for more information.
- We removed two branch locations at 500 Main Street, Almena, KS 67622 and 617 Main, Suite A, Hoxie, KS 67740.
- Our home office has relocated from 104 E. Iron to 227 North Santa Fe.
- The Norton office has relocated from 302 E. Holme Street to 115 North Kansas, Norton KS 67654.
- The Dodge City office has relocated from 507 N. 14<sup>th</sup> Avenue, Suite A to 2010 Central Avenue, Dodge City, KS 67801.

We will ensure that you receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after our firm's fiscal year ends. Our firm's fiscal year ends on December 31, so you will receive the summary of material changes no later than April 30 each year. At that time we will also offer or provide a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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## **Item 4 – Advisory Business**

### **General Description of Advisory Firm**

In July of 2014 United Capital Management of Kansas, Inc. (also referred to as “us”, “we”, “United Capital Management”, or “UCM” throughout this disclosure brochure) submitted an application to become an investment advisor registered with the U.S. Securities and Exchange Commission and is a corporation formed under the laws of the State of Kansas.

United Capital Management has been registered as an investment advisor since October 2012. United Capital Management’s president, owner, and Chief Compliance Officer is Chad Koehn.

### **Description of Primary Advisory Services**

The following are descriptions of United Capital Management’s primary investment advisory services. Please understand that a written agreement, which details the exact terms of the service, must be signed by you and us before we can provide you the service described below.

**Financial Planning & Consulting Services** - United Capital Management provides investment advisory services in the form of financial planning and consulting services. Financial planning services involve United Capital Management preparing a written financial plan covering specific or multiple topics as mutually agreed upon. Financial planning can be described as helping individuals determine and set their long-term financial goals, through investments, tax planning, asset allocation, risk management, retirement planning, and other areas. Under this program, the role of a financial planner is to find ways to help you understand your overall financial situation and help the client set financial objectives.

When a written financial plan is not needed, United Capital Management can provide a one-time consultation in order to discuss financial planning issues.

Our financial planning and consulting services do not involve the active management of your accounts or the implementation of any transactions on your behalf. To the extent you would like your investment adviser representative to implement transactions on your behalf, you will need to contract with your investment adviser representative for one or more of the services described in this brochure or you could work with your investment adviser representative in his or her separate capacity as a registered representative of SA Stone Wealth Management, Inc. for the purpose of implementing transactions through a non-fee, commission-based brokerage account. A conflict will exist between the interests of United Capital Management, your investment adviser representative and your interests. If you choose to implement your investment adviser representative’s advice, your investment adviser representative may earn commissions in his or her separate capacity as a registered representative of SA Stone Wealth Management, Inc. or additional advisory fees for asset management services through United Capital Management in addition to the fees charged for financial planning services.

*Please refer to Item 5 – Fees and Compensation of this brochure for a description of the fees associated with the financial planning and consulting services.*

**Asset Management Services** – Under this program, asset management services involve United Capital Management providing you with continuous and on-going supervision over your designated accounts. This means that if you execute our asset management services agreement, United Capital Management

will continuously monitor your designated account and make trades in these accounts when necessary. Through this service, United Capital Management will implement a customized and individualized investment program for you by applying our investment strategy and philosophy. Under this program, United Capital Management actively manages investment portfolios in accordance with your individual needs, return objectives and risk tolerance.

United Capital Management typically provides asset management services to accounts held by a qualified custodian, such as SA Stone Wealth Management, Inc. (SA Stone) or TD Ameritrade Institutional, a division of TD Ameritrade, Inc., member FINRA/SIPC. Inc. ("TD Ameritrade"). Your investment adviser representative at United Capital Management also serves as a registered representative of SA Stone Wealth Management, Inc.; however, United Capital Management and SA Stone Wealth Management, Inc. are not affiliated. *Please refer to Item 10 – Other Financial Industry Activities and Affiliations, Item 12 – Brokerage Practices and Item 15 – Custody of this brochure for more information.* You must designate United Capital Management as your investment advisor on the accounts you'd like United Capital Management and your investment adviser representative to manage. Under this program, a separate account is always maintained for you with the qualified custodian and you retain all rights of ownership to such accounts (e.g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations). These accounts may be managed on either a discretionary basis or non-discretionary basis as agreed to in writing by you and your investment adviser representative. *Please refer to Item 16 – Investment Discretion of this brochure for more details.*

Under this program, you are responsible for notifying your investment adviser representative of any changes to your financial situation or investment objectives. Additionally, your investment adviser representative will contact you to determine whether your financial situation or investment objectives have changed, or if you would like to impose and/or modify any reasonable restrictions on the management of your designated accounts. Your investment adviser representative is always reasonably available to consult with you relative to the status of your designated accounts. Your beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the accounts.

It is important that you understand that United Capital Management and your investment adviser representative manage investments for other clients and may give them advice or take actions for them or for our proprietary or personal accounts that is different from the advice we provide to you or actions we take for you under this program. We are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts.

Conflicts may arise in the allocation of investment opportunities among accounts managed by United Capital Management. United Capital Management strives to allocate investment opportunities believed appropriate for your account(s) and other accounts advised by our firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If United Capital Management obtains material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client's benefit.

*Please refer to Item 5 – Fees and Compensation of this brochure for a description of the fees associated with the asset management services.*

## **IRA Rollovers**

When recommending that a client rollover his or her account from current retirement plan to an IRA, United Capital Management and its investment adviser representatives have a conflict of interest. United Capital Management and its representatives can earn investment advisory fees by recommending that a client rollover his or her account at the retirement plan to an IRA; however, United Capital Management and its investment adviser representatives will not earn any investment advisory fee if client does not rollover the funds in the retirement plan (unless a client retained United Capital Management to provide advice about my retirement plan account). Thus, United Capital Management and its investment adviser representatives have an economic incentive to recommend a rollover of my retirement plan account, which is a conflict of interest. United Capital Management has taken steps to manage this conflict of interest arising from rolling over funds from an ERISA covered retirement plan to an IRA and a client has adopted an impartial conduct standard through its code of ethics whereby United Capital Management and its investment adviser representatives will (i) provide investment advice to ERISA covered retirement plan participant regarding a rollover of funds from the ERISA covered retirement plan in accordance with the fiduciary status described below, (ii) not recommend investments which result in United Capital Management receiving unreasonable compensation related to the rollover of funds from the ERISA covered retirement plan to an IRA, and (iii) fully disclose compensation received by United Capital Management and its supervised persons and any material conflicts of interest related to United Capital Management recommending the rollover of funds from the ERISA covered retirement plan to an IRA and refrain from making any materially misleading statements regarding such rollover.

To the extent United Capital Management provides investment advice to a participant in a retirement plan under Employee Retirement Income Security Act of 1974 as amended ("ERISA") regarding whether to maintain investments and/or proceeds in an ERISA retirement plan, rollover such investment/proceeds from the ERISA retirement plan to an individual retirement account ("Rollover IRA account") or make a distribution from the ERISA retirement plan, United Capital Management hereby acknowledges its fiduciary obligations with regard to its investment advice about whether to maintain, rollover or distribute proceeds from those ERISA retirement plans, and as such a fiduciary with respect to its investment advice about whether to maintain, rollover or distribute proceeds from those ERISA retirement plans, United Capital Management and its representatives shall act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, based on the investment objectives, risk, tolerance, financial circumstances, and a client's needs, without regard to the financial or other interests of United Capital Management or its affiliates.

## **Specialization**

United Capital Management specializes in providing individualized investment advice through its asset management and financial planning services. This determination is based on an assessment of each client's net worth, liquidity, risk objectives, willingness to take on volatility, savings capacity, time until retirement, and other factors.

## **Limits Advice to Certain Types of Investments**

With some exceptions, your investment adviser representative is typically available to offer advice on most types of investments owned by you and, at your specific request, will explore investment options not currently owned by you. However, your investment adviser representative is not permitted to provide advice on futures contracts.

Your investment adviser representative is typically available to provide investment advice on the following types of investments.

- No-Load (i.e. no trading fee) and Load-Waived (i.e. trading fee waived) Mutual Fund Shares
- Exchange-listed securities (i.e. stocks)
- Securities traded over-the-counter (i.e. stocks)
- Fixed income securities (i.e. bonds)
- Closed-End Funds and Exchange Traded Funds (ETFs)
- Foreign Issues
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- United States government securities
- Options contracts on securities
- Interests in partnerships investing in real estate, oil and gas interests
- Securities Properly Exempted from Registration

When providing asset management services, United Capital Management will typically construct your account holdings using, equities, fixed income products, and mutual funds to build diversified portfolios. It is not United Capital Management's typical investment strategy to attempt to time the market but we may increase cash holdings modestly when deemed appropriate based on your risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations such as: low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

*Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss of this brochure for more information.*

### **Tailor Advisory Services to Individual Needs of Clients**

United Capital Management's services are always provided based on the individual needs of each client. This means, for example, that you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with each client on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information.

### **Assets Managed by United Capital Management**

As of December 31, 2020, United Capital Management has had \$297,440,399 of client assets under management. All accounts are managed on a discretionary basis.

## Item 5 – Fees and Compensation

In addition to the information provide in *Item 4 – Advisory Business*, this section provides additional details regarding our firm's services along with descriptions of each service's fees and compensation arrangements.

### **Fees for Financial Planning Services & Consulting Services**

Fees for financial planning and consulting services may be fixed or hourly as described below.

*Hourly Fee* - United Capital Management may provide financial planning and consulting services under an hourly fee arrangement. The hourly rate is \$100 per hour. An estimate of the amount of hours needed to complete financial planning and consulting services, the hourly fee that will be charged, and the terms of payment will be disclosed and agreed upon prior to any services being provided in the agreement for services. If it is determined that the total cost will exceed the maximum amount quoted, we will contact you to receive authorization to provide additional services.

*Fixed Fee* - United Capital Management may provide financial planning and consulting services under a fixed fee arrangement, which is negotiable. For our financial planning services, the minimum fixed fee is \$1,000, and our maximum flat fee generally does not exceed \$5,000. For our one-time consulting services, the minimum fixed fee is \$100, and our maximum fee generally does not exceed \$3,500.00. Clients may be required to pay 50% of any fixed fee in advance however, United Capital Management will not require payment of more than \$500 in fees more than six months in advance.

Fees charged for financial planning and consulting services will vary depending on the scope of services provided, complexity of the process undertaken, the types of issues addressed and the frequency with which the services are rendered.

Financial planning and/or consulting fees described above do not include the fees you will incur for other professionals (i.e. personal attorney, independent investment adviser, or accountant) in connection with the financial planning process.

The above ranges are the standard fee ranges that are typically charged. In some instances fees higher than those stated above may be charged if the scope of the project agreed upon warrants a higher fee. Your investment adviser representative may negotiate fees with you based on the complexity of your personal circumstances, financial situation and the services that will be provided, the scope of the engagement, your gross income, the experience and standard fees charged by the investment adviser representative providing the services, and the nature and total value of the assets subject to the financial planning services. In addition, your fees may be negotiated based on whether or not you have assets under management with your investment adviser representative. Your investment adviser representative, at his or her discretion, may waive the agreed upon financial planning fees if you purchase products or enter into agreements for other services with your investment adviser representative.

Hourly fees are always due in-arrears after completion of the plan or consultation. For our financial planning services provided under a fixed fee arrangement, one-half of the fixed fee is due upon execution of the investment advisory agreement for financial planning services, and the remaining one-half is due immediately upon completion and presentation of the financial plan. For our one-time consulting services, the fixed fee is due immediately upon completion of the consultation. Under no circumstances



will United Capital Management charge more than \$500 six months or more in advance. To the extent that fees are owed by you at the end of the project, you are required to pay such fees upon your receipt of an invoice from United Capital Management. If you like, you can authorize fee payment from your brokerage account to pay for financial planning or consulting services.

It should be noted that lower fees for comparable service may be available from other sources. The exact fees and other terms will be outlined in the financial planning agreement between you and United Capital Management.

At any time by notifying the other party in writing, you or United Capital Management may terminate effective immediately the financial planning or consulting services. If you terminate the agreement within five (5) business days of the date you signed the agreement, United Capital will refund any fees that you paid in advance as a retainer. If you or United Capital Management terminates the financial planning or consulting services at any other time prior to receiving the plan or consultation, you will pay United Capital Management a pro-rated fixed fee equivalent to the percentage of work completed by United Capital Management as determined by United Capital Management. In the event that there is a remaining balance of any fees paid in advance after the deduction of fees from the final invoice, those remaining proceeds will be refunded to you by United Capital Management. Any unpaid fees for services rendered will be due from you and must be paid by the date of termination.

#### **Fees for Asset Management Services**

Fees charged for our asset management services are charged based on a percentage of assets under management, billed in advance (at the start of the billing period) on a monthly basis and calculated based on the fair market value of your account as of the last business day of the previous billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period. If asset management services are commenced in the middle of a billing period, the prorated fee for the initial billing period is billed in arrears at the same time as the next full billing period's fee is billed.

In the event that a deposit in excess of \$50,000 occurs during a billing period after the fee calculation, the fee for the billing period will be recalculated at the end of the billing period and United Capital Management will bill a second fee pro-rata, in arrears, on the additional deposits. In the event that a withdrawal in excess of \$50,000 occurs during a billing period after the fee calculation, the fee for that billing period will be recalculated at the end of the billing period and you will be refunded the pro-rata fee that was attributable to the amount of the withdrawal.

The asset management services continue in effect until terminated by either party (i.e., United Capital Management or you) by providing written notice of termination to the other party. Any prepaid, unearned fees will be promptly refunded by United Capital Management to you. Fee refunds will be determined on a pro rata basis using the number of days services are actually provided during the final period.

The firm provides asset management services for a percentage of assets under management. Fees generally range from .40% to 1.95% annually depending upon the amount of assets under management.

<u>Assets Under Management</u>	<u>Annual Fees</u>
Less than \$50,000	1.95%
\$50,001 - \$100,000	1.85%
\$100,001 - \$250,000	1.65%

\$250,001 - \$500,000	1.50%
\$500,001 - \$750,000	1.35%
\$750,001 - \$1,200,000	1.20%
\$1,200,001 - \$1,750,000	0.90%
\$1,750,001 - \$2,200,000	0.75%
\$2,200,000 - \$3,000,000	0.60%
\$3,000,001 - \$4,000,000	0.50%
greater than \$4,000,000	0.40%

For asset management services, United Capital Management requires a minimum account size of \$5,000. Exemptions to such minimum account size may be made at United Capital Management's sole discretion. In addition, there is a minimum fee of \$50 annually. The minimum account size and actual fee charged are negotiable based on factors such as the client's financial situation and circumstances, the amount of assets under management, and the complexity of the services provided. The exact fee for services will be agreed upon and disclosed in the agreement for services prior to services being provided.

Fees are generally deducted directly from your account held by the qualified custodian. Under this program, you must provide the qualified custodian with written authorization to have fees deducted from the account and paid to United Capital Management.

Brokerage commissions and/or transaction ticket fees charged by the qualified custodian will be billed directly to you. Lower fees for comparable services may be available from other sources. United Capital Management will not receive any portion of such commissions or fees from the qualified custodian. In addition, you may incur certain charges imposed by third parties other than United Capital Management in connection with investments made through the account, including but not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges, variable annuity fees and surrender charges, and IRA and qualified retirement plan fees. A description of these fees and expenses are available in each investment company security's prospectus. Management fees charged by United Capital Management are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to clients; however, a portion of the 12(b)-1 fees from the mutual funds may be paid to your investment adviser representative in his or her separate capacity as a registered representative of SA Stone Wealth Management, Inc. When managing ERISA and qualified accounts, your investment adviser representative must lower or offset the management fee by the amount of 12b-1 fees and other commissions received in the event such types of compensation are received by your investment adviser representative in his/her individual capacity as a registered representative of SA Stone Wealth Management, Inc.

Either party may terminate the agreement by providing written notice to the other party. If asset management services are terminated within five (5) business days of executing the agreement, asset management services will be terminated effective immediately without penalty and all pre-paid fees will be refunded to you. If asset management services are terminated after the initial five business days period, asset management services will be terminated effective 30 days following receipt of written notification and any unearned fees will be pro-rated and refunded to you.

The asset management services do not include management, monitoring or advice of the following assets and are excluded when determining United Capital Management's asset management fee: options; certificates of deposit; commercial paper; insurance; variable and fixed annuities; real estate; partnerships (other than partnerships classified as "master limited partnerships" for federal income tax purposes) and securities sold in private placements. Your investment adviser representative may recommend these

financial products to you and may receive transaction-based compensation in connection with the sale of any such product to you. Although these unmanaged assets can be held in your account and shown on the account statement for your convenience, these assets are not subject to management, monitoring or advice by United Capital Management.

The asset management services of United Capital Management are not right for everyone. In determining whether the asset management services are right for you, you should consider, among other things, your investment goals and strategies and your trading patterns, including the number, size and frequency of the transactions. It is particularly important that you consider the costs and potential benefits of the asset management services as compared to paying commissions on a per trade basis. The asset management services of United Capital Management may not be appropriate if you are a “Buy and Hold” investor or if you anticipate engaging in a lower level of trading activity, as substantially greater transaction cost savings could be realized in a traditional pay-per-trade commission structure.

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

Item 6 of the Form ADV Part 2 instructions is not applicable to this Disclosure Brochure because United Capital Management **does not charge or accept performance-based fees** which can be defined as fees based on a share of capital gains on or capital appreciation of the assets held within a client’s account.

### **Item 7 – Types of Clients**

United Capital Management generally provides investment advice to the following types of clients:

- Individuals
- High-Net Worth Individuals
- Trusts, estates, or charitable organizations
- Corporations or business entities other than those listed above

All clients are required to execute an agreement for services in order to establish a client arrangement with United Capital Management and/or the sponsor of third-party money manager platforms.

#### **Minimum Investment Amounts Required**

For financial planning and consulting services handled on a fixed fee basis, there is a minimum fee of \$1,000. For financial planning and consulting services handled on an hourly fee basis, there is a minimum fee of \$100.

For asset management services, United Capital Management requires a minimum account size of \$5,000. Exemptions to such minimum account size may be made at United Capital Management’s sole discretion.

All clients are required to execute an agreement for services prior to commencing any work.

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

### **Investment Analysis**

When it comes to portfolio design, we manage each client's allocation and investment selection individually based on their overall goals and risk tolerance. We take an active rather than passive approach to investing. We compile research data from independent firms as well as our own in-house investment researcher, and use this data to develop portfolios that we believe best fit the overall objectives of our clients.

We believe that holding 10-35 stocks, depending upon the size of the account, across multiple sectors is the most cost effective way of diversifying. We continually evaluate the long-term return potential for each sector, concentrating on general and specific risks. We focus on sectors which we feel have the greatest risk-adjusted return potential.

We rely on analytical research, forecasts, and our own judgment and experience in making investment recommendations on what securities to buy, hold or sell in terms of value, expected growth and risks. To make sure our clients are properly diversified, we spread their portfolio among multiple investment vehicles, vary the risk in the securities we buy, and vary the securities by industry.

We believe international investing provides important diversification and growth. Even when international and U.S. markets move in the same direction, the degree of movement may be very different, particularly with emerging markets. We believe that emerging market companies may offer a greater potential for growth than U.S. companies for appropriate clients. For international investing, we prefer American Depository Receipts (ADRs), U.S.-traded foreign stocks or international exchange-traded funds (ETFs).

When designing fixed income portfolios for clients, our primary approach is to design the portfolio to generate a high current income stream, with a secondary objective of growth. We focus on high grade U.S. Treasuries, Corporates, Agencies, and Municipals. From time to time, we may trade lower quality bonds on a short-term basis to take advantage of growth opportunities rather than income.

When constructing portfolios we typically do not recommend mutual funds on the equity portion of the client portfolio. With individual securities, such as stocks, bonds, and ETFs, our clients may benefit from lower fees, more control over taxes, and increased transparency, all of which may help to increase returns.

We believe alternative investments such as hedge funds and real estate investment trusts (REITs) should be considered with a portion of dollars for accredited investors. Although these investment vehicles do not fit all individuals, they can be utilized to enhance returns for clients for whom they are appropriate.

Finally, while we firmly believe that investment costs are a concern only in the absence of value, we also recognize the impact that expenses can have on returns. Therefore, we believe they should always be taken into consideration and minimized as much as possible.

***Cyclical*** - Analyzes the investments sensitive to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise just before an economic upturn begins, and fall just before a downturn begins. Investors in cyclical stocks

try to make the largest gains by buying the stock at the bottom of a business cycle, just before a turnaround begins.

**Fundamental** - A method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of companies). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

**Technical** - A method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

### **Investment Strategies**

Long term purchases. Investments held at least a year.

Short term purchases. Investments sold within a year.

Trading. Investments sold within 30 days.

Margin transactions. When an investor buys a stock on margin, the investor pays for part of the purchase and borrows the rest from a brokerage firm. For example, an investor may buy \$5,000 worth of stock in a margin account by paying for \$2,500 and borrowing \$2,500 from a brokerage firm. Clients cannot borrow stock from United Capital Management.

Option writing including covered options, uncovered options, or spreading strategies. Options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time.

### **Primary Method of Analysis or Strategy**

Securities Selection. We follow several pathways to generate investment ideas as well as to maintain surveillance of securities in client's portfolios. We receive primary research from several investment firms. In addition, we maintain our own research information, reports and industry data relevant to our present or potential investment interests. Possible investment ideas that we identify through our own efforts are cross-checked with investment information and opinions obtained from our primary sources. Conversely, recommendations by our primary sources that are consistent with our investment preferences are reviewed by our own analysts and only those deemed exceptionally attractive are considered for purchase. We seek to identify companies that we believe: (1) Provide superior products or services; (2) Are market leaders or efficient competitors; (3) Are profitable or have the potential for profitability; (4) Possess a high quality management team; (5) Have strong financial characteristics; (6) Have sustainable

above average growth and earnings predictability. It is our belief that companies that possess these strengths provide the best potential for long term investment. We also seek to identify companies poised for growth that have attractive valuations, in addition to financial strength and management capability needed to deal with rapid expansion. We focus on companies that we believe are undervalued, or at least reasonably valued relative to the market based upon their strengths and projected earnings growth. Generally, we are reluctant to pay a premium for the companies in which we invest. However, certain stocks with price-earnings ratios equal to or above the market as a whole may also be attractive if predictable high growth rates appear to justify premium valuations. Such stocks generally outperform the market due to their strong earnings momentum.

**Diversification.** We believe that a well-managed portfolio requires moderate, rather than excessive, diversification. A moderate degree of diversification enables us to reduce risk without having too many positions to effectively manage. We diversify our portfolios across those industries that we believe have the best intermediate and long term prospects. Despite periodic volatility abroad in dollar terms, we believe a moderate amount of international portfolio diversification can, at times, increase total long term returns due to rapid economic growth in many foreign countries. Although, we do not always hold foreign securities in clients' portfolios, we recognize that there can be significant investment opportunities in markets outside of the U.S. One way in which we take advantage of international opportunities is to invest in U.S. Based, multinational companies, many of which derive a significant portion of revenues and earnings from foreign sources.

**Portfolio Evaluation and Client Service.** We actively review our client portfolios on an ongoing basis to ensure compliance with a client's investment objectives. Clients receive quarterly account reports detailing portfolio positions, asset allocation and investment performance and periodic market comments. The internal reports are intended to inform clients as to how their investments have performed for the selected period. Clients also receive monthly account statements and confirmations from the custodian maintaining their account. An advisor is always available for individual account reviews.

### **Primarily Recommend One Type of Security**

United Capital Management does not primarily recommend only one type of security so this item is inapplicable.

### **Risk of Loss**

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients (including you) should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated when investing in securities through our investment management program.

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Fixed Income Risk. When investing in bonds, there is the risk that issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Options Risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk – When our firm invests in a an ETF or mutual fund, it will bear additional expenses based on its pro rata share of the ETFs or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will also incur brokerage costs when purchasing ETFs.
- Management Risk – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.
- Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if there is a high interest in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

## Important Information Concerning Alternative Investment Strategies

As a registered investment advisor, United Capital Management and its investment advisor representatives may only offer alternative investment products that are offered on a “RIA Only” only basis. No sales based compensation (commission) is paid on these types of investments.

Investment Adviser Representatives may only offer alternative investment products that have been reviewed and approved by the firm’s investment committee.

Alternative Investments are privately offered investment vehicles that are unregistered private investment funds or pools that may invest in many different markets, strategies and instruments (including securities, non-securities and derivatives) and are NOT subject to the same regulatory requirements as mutual funds, including mutual fund requirements to provide certain periodic and standardized pricing and valuation information to investors. There are substantial risks in investing in Alternative Investments.

- Alternative Investments are **speculative** investments that involve a high degree of risk. An investor could lose all or a substantial portion of his/her investment. Investors must have the financial ability, sophistication/experience and willingness to bear the risks of an investment in an Alternative Investment.
- An investment in an Alternative Investment is typically **illiquid** in nature and there will be significant restrictions on liquidating or transferring interests in an Alternative Investment. There is currently no established secondary market for an investor’s investment in an Alternative Investment and none is expected to develop.
- Any investment in Alternative Investment should be discretionary capital set aside strictly for long term **speculative** purposes.
- An investment in an Alternative Investment is not suitable or desirable for all investors. Only qualified eligible investors may invest in Alternative Investments.
- Alternative Investment offering documents are not reviewed or approved by federal or state regulators and the offering of fund interests will not be federally or state registered.
- Some Alternative Investments may have little or no operating history or performance and may use hypothetical or pro-forma performance which may not reflect actual trading done by the manager or advisor and should be reviewed carefully. Investors should not place undue reliance on hypothetical or pro-forma performance.
- An Alternative Investment’s manager or advisor has total discretionary authority over the activities of the Alternative Investment.
- Alternative Investments are not required to provide periodic pricing or valuation information to investors.
- Some Alternative Investments may provide little or no transparency regarding their underlying investments to investors.
- Alternative Investments which make private equity investments have certain different risks, generally including, among other things, no or limited redemption rights; illiquid portfolios and valuation difficulties; asset, market or industry concentration; portfolio company risks including competition and fluctuating distributions; operational and control risks including “key-man” risk; particular industry risks including retail business risks; and financing or additional funding risks.



- An Alternative Investment's fees (including advisory fees and placement agent, distribution and/or portfolio acquisition fees) and expenses, which may be substantial regardless of any positive return, will offset the Alternative Investment's investment profits. If an Alternative Investment's investments are not successful, these payments and expenses may, over a period of time, deplete the net asset value of the fund.
- Alternative Investment Funds may be leveraged (including highly leveraged), which increases risk, and an Alternative Investment Fund's performance may be volatile.
- Some Alternative Investment Funds may use a single advisor or employ a single strategy, which could mean a lack of diversification and higher risk.
- Some Alternative Investment Funds and their advisors rely on the investment expertise and experience of third-party advisors, the identity of which may not be disclosed to investors.
- Alternative Investment Funds and their managers/advisors may be subject to various conflicts of interest, including with respect to decisions which may affect their compensation.
- The net asset value of an Alternative Investment Fund may be determined by its administrator and/or its manager. Certain portfolio assets may be illiquid and without a readily ascertainable market value. The value assigned to such securities may differ from the value an Alternative Investment Fund is able to realize. Instances of mispriced portfolios, due to fraud or negligence, have occurred in the industry.
- Some Alternative Investment Funds may enter into swaps, futures, forwards, options and other derivative transactions for various hedging and/or speculative purposes that can result in more volatile fund performance.
- Some Alternative Investment Funds may trade commodity interests or may execute a substantial portion of trades on foreign exchanges, which may increase risk of loss and material economic conditions and/or events may affect future results.
- Some Alternative Investment Funds may involve complex tax structures, which should be reviewed carefully.
- Some Alternative Investment Funds may involve structures or strategies that may cause delays in important tax information being sent to investors.

This summary of certain risks is not a complete list of the risks and other important disclosures involved in investing in an Alternative Investment is subject to the more complete disclosures, including risk factors, contained in a specific Alternative Investment's respective offering documents, which must be reviewed carefully. An Alternative Investment's past performance is not indicative and is no guarantee of its future performance.

Due to the unique structure of fee-based Alternative Investment products, the account custodian holding, monitoring and providing reporting services for a particular non-traded alternative investment vehicle may charge a service fee to the client's account. Different custodians may charge different fees for providing such monitoring and reporting services. This fee may be waived at the sole discretion of the advisor. Factors in determining if services fees will be waived for a particular client may include the market value of the client's assets being managed, complexity of the client's portfolio, the client's financial situation, level of portfolio trading activity, anticipated future assets, the relationship of the client to the advisor, and additional services requested or performed for the client. Fee waivers or discounts which are not available to clients may also be available for the Owners, Directors, Officers and Associated Persons of United

Capital Management and our related companies as well as to family members and friends of associated persons of United Capital Management. If fees are waived for a client, the investment advisor representative may pay the service fee on behalf of the client. The ability to waive the imposition of these service fees creates a conflict of interest because the investment advisor representative may waive the service fee for a particular client and may not waive the service fee for another client, in the advisor's sole discretion.

The relevant information, terms and conditions of an investment in a particular alternative investment, including the management fee to be paid to the manager, suitability considerations, the investment strategy and risk factors, are described in the Alternative Investment's offering documents. Those documents include the Private Offering memorandum, Partnership Agreement, Subscription Agreement and other important materials or forms, which each subscriber is required to receive and/or execute prior to being accepted as an investor of the Alternative Investment.

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

This item is not applicable to our brochure because there are no material legal or disciplinary events listed in Item 9 of the Form ADV Part 2 instructions.

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

United Capital Management is **not** and does **not** have a related company that is a (1) investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), (2) futures commission merchant, commodity pool operator, or commodity trading advisor, (3) banking or thrift institution, (4) accountant or accounting firm, (5) lawyer or law firm, (6) pension consultant, (7) real estate broker or dealer, or (8) sponsor or syndicator of limited partnerships.

#### **United Capital Trust, Inc.**

United Capital Management and United Capital Trust, Inc. ("UCT") are under common ownership and control. United Capital Trust operates as a marketing entity and refers individuals, businesses, organizations and financial service professionals to National Advisors Trust Company, FSB ("NATC"), which is nationally chartered as a trust company by the Office of the Comptroller of the Currency, for fiduciary and trustee services. Some individuals, businesses and organizations referred by United Capital Trust to NATC may be clients of United Capital Management. Although neither United Capital Management nor United Capital Trust receive a referral fee from NATC, United Capital Management is often selected as the investment advisor by the trust client through means of bi-furcation language included in the trust document. This practice creates a conflict of interest for United Capital Management and United Capital Trust when recommending NATC to serve as a corporate fiduciary trustee. As a result, you should conduct independent due diligence of NATC before retaining NATC as a fiduciary trustee. You are not obligated to use the fiduciary or trustee services of NATC.

#### **United Capital Insurance LLC**

United Capital Management is affiliated with United Capital Insurance LLC ("UCI"), a licensed insurance agency. United Capital Insurance LLC offers insurance products, including, but not necessary limited to life insurance, long-term care insurance, whole life and term life insurance. United Capital Management's investment adviser representatives may be licensed as an insurance agent. You are never obligated or required to use purchase insurance products through United Capital Insurance LLC or your investment adviser representative in his separate capacity as an insurance agent. If United Capital Insurance LLC or your investment adviser representative, when acting in his or her separate capacity as an insurance agent, offer you an insurance or variable product, United Capital Insurance LLC and/or your investment adviser representative will receive separate compensation (i.e. insurance commissions) in addition to investment advisory fees charged by United Capital Management. On average, our investment adviser representatives spends approximately <5% of their time offering insurance products.

Our investment adviser representative, when acting in a separate capacity as an insurance agent, may also receive other incentive awards for the recommendation/sale of annuities and other insurance products. The receipt of compensation and other incentive benefits may affect the judgment of your investment adviser representative when recommending products to you. While United Capital Management requires our investment adviser representatives to endeavor at all times to put the interest of his/her clients first, you should be aware that the receipt of commissions and additional compensation itself creates a conflict of interest, and may affect your investment adviser representative's decision making process when making recommendations.

You are never obligated or required to purchase insurance products through your investment adviser representative when acting in his or her separate capacity as an insurance agent, and you may choose any independent insurance agent and insurance company to purchase insurance products.

### **SA Stone Wealth Management, Inc.**

Although United Capital Management and SA Stone Wealth Management, Inc. are not affiliated, your investment adviser representative may also serve as a registered representative of SA Stone Wealth Management, Inc.

If you wish to utilize our asset management services, SA Stone Wealth Management, Inc. may be recommended as the qualified custodian by your investment adviser representative, who is also a registered representative of SA Stone Wealth Management, Inc.

Your investment adviser representative, acting in his or her separate capacity as a registered representative of SA Stone Wealth Management, Inc., may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, and variable annuity and variable life products to you outside of role with United Capital Management. As such, your investment adviser representative may suggest that you implement investment advice by purchasing securities products through a commission-based account introduced through SA Stone Wealth Management, Inc. in addition to an investment advisory account managed by United Capital Management. In the event that you elect to purchase these non-managed securities products through SA Stone Wealth Management, Inc., your investment adviser representative in the capacity as registered representative will receive the normal and customary commission compensation in connection with the specific product purchased.

United Capital Management does not require your investment adviser representative to encourage you to implement investment advice through SA Stone Wealth Management, Inc. You are free to implement investment advice through any broker/dealer or product sponsor you may select. However, please

understand that, due to certain regulatory constraints, your investment adviser representative, in the capacity as a dually registered representative, must place all purchases and sales of securities products in commission-based brokerage accounts through SA Stone Wealth Management, Inc.

#### **Other Business Activity of Company Principal**

Chad Koehn, President of United Capital Management is a member of the Board of Directors of Anthem Holdings Company. In his position as a member of the Board of Directors he is compensated by Receiving shares of stock and/or warrants to obtain shares in the company. Mr. Koehn has an incentive to recommend Anthem Holdings Company . This is a conflict of interest, and consequently the investment advice provided by Mr. Koehn is biased.

Mr. Koehn will only recommend that a client invest a portion of client's portfolio in Anthem Holdings Company if believes that it is in client's best interest. (Under no circumstances will Mr. Koehn and/or United Capital Management exercise any investment discretion with respect to whether to invest a client in Anthem Holdings Company.)

In an effort to mitigate this conflict of interest, United Capital Management has established policies and procedures to limit the amount of a client's portfolio invested in Anthem Holdings Company , and United Capital Management and its supervised person/affiliates will not receive any compensation other than the shares and or warrants provided by the company. The firm will not change asset management fees for any positions in Anthem Holdings Company that may be held in a client's managed portfolio.

Due to the conflict of interest when recommending Anthem Holdings Company, United Capital Management will not exercise investment discretion with respect to whether to invest a client in Anthem Holdings Company and strongly recommends that a client consult with his or her legal counsel, accountant and a third-party investment adviser who is not affiliated with United Capital Management for a "second opinion" before investing in Anthem Holdings Company . The client will be solely responsible for making any decision in whether to invest in Anthem Holdings Company , and the client is under no obligation to invest in Anthem Holdings Company.

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

#### **Code of Ethics Summary**

As an investment advisor, United Capital Management has established a Code of Ethics. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each client at all times. This fiduciary duty is considered the core underlying principle for our Code of Ethics which also covers our Insider Trading and Personal Securities Transactions Policies and Procedures. We are committed to conducting business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Full disclosure of all material facts and conflicts of interest will be provided. Our business and client dealings will be honest, ethical and fair. We attempt to avoid or at least disclose all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients.

This disclosure is provided as a summary of the firm's Code of Ethics. However, if you would like to review my Code of Ethics in its entirety, a copy will be provided promptly upon request.

## **Affiliate and Employee Personal Securities Transactions Disclosure**

United Capital Management or its associated persons may buy or sell for their personal accounts, investment products identical to those recommended to you. This creates a conflict of interest. It is the express policy of United Capital Management that all persons associated in any manner with the firm must place your interests ahead of their own when implementing personal investments. United Capital Management and its associated persons shall not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of his/her employment unless the information is also available to the investing public upon reasonable inquiry. In order to minimize this conflict of interest, securities recommended by United Capital Management are widely held and publicly traded.

## **Item 12 – Brokerage Practices**

United Capital Management's trading policies and procedures prohibit unfair trading practices and seek to avoid conflicts of interests, where possible, or to disclose conflicts when they arise. United Capital Management will attempt to resolve conflicts in your favor when reasonably possible.

Clients are under no obligation to act on the financial planning recommendations of United Capital Management. If the firm assists in the implementation of any recommendations, we are responsible to ensure that the client receives the best execution possible. Best execution does not necessarily mean that clients receive the lowest possible commission costs but that the qualitative execution is best. In other words, all conditions considered, the transaction execution is in your best interest. When considering best execution, we look at a number of factors besides prices and rates including, but not limited to:

- Execution capabilities (e.g., market expertise, ease/reliability/timeliness of execution, responsiveness, integration with our existing systems, ease of monitoring investments)
- Products and services offered (e.g., investment programs, back office services, technology, regulatory compliance assistance, research and analytic services)
- Financial strength, stability and responsibility
- Reputation and integrity
- Ability to maintain confidentiality

We exercise reasonable due diligence to make certain that best execution is obtained for all clients when implementing any transaction by considering the back-office services, technology and pricing of services offered.

## **Brokerage Recommendations**

You are under no obligation to act on the financial planning recommendations of United Capital Management. If we assist you in the implementation of any recommendations, we are responsible to ensure that you receive the best execution possible.

United Capital Management recommends that you establish brokerage accounts with SA Stone Wealth Management or TD Ameritrade through their Institutional Platform. SA Stone and TD Ameritrade, Inc.

("TD Ameritrade") are both members of FINRA/SIPC/NFA. SA Stone and TD Ameritrade is an independent (and unaffiliated) SEC-registered broker-dealers and are recommended by United Capital Management to maintain custody of clients' assets and to effect trades for their accounts.

At least annually, we will review alternative custodians in the marketplace for comparison to the currently used custodian, evaluating criteria such as overall expertise, cost competitiveness, and financial condition. Quality of execution for custodians will be reviewed through trade journal evaluations.

United Capital Management is independently owned and operated and not affiliated with SA Stone or TD Ameritrade.

The primary factor in suggesting a broker/dealer or custodian is that the services of the recommended firm are provided in a cost-effective manner. While quality of execution at the best price is an important determinant, best execution does not necessarily mean lowest price and it is not the sole consideration. The trading process of any broker/dealer and money manager suggested by United Capital Management must be efficient, seamless, and straight-forward. Overall custodial support services, trade correction services, and statement preparation are some of the other factors determined when suggesting a broker/dealer.

SA Stone and TD Ameritrade, Inc. provides 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.

SA Stone and TD Ameritrade do not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed by recommended money managers through the custodian or that settle into a custodian account.

These benefits 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.

SA Stone and TD Ameritrade, Inc. 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. United Capital Management is also provided other services intended to help our firm manage and further develop our business enterprise. These services include investment research services, consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing.

### **Best Execution**

As a fiduciary, United Capital Management owes a duty to obtain best execution of your transactions managed by us. In general, we must execute securities transactions in such a manner that the total cost or proceeds in each transaction is the most favorable under the circumstances. However, best execution does not necessarily mean the lowest available price. Instead, the totality of the arrangement and services provided by a broker-dealer or qualified custodian must be examined to determine a qualitative measure of best execution. Based on these principles, commission and fee structures of various broker/dealers are periodically reviewed in order to evaluate the execution services provided by the qualified custodians used by United Capital Management. Accordingly, while United Capital Management does consider competitive rates, it does not necessarily obtain the lowest possible commission rates for client account transactions. Therefore, the overall services provided by qualified custodians are evaluated to determine best execution.

You may pay higher commissions or trade execution charges through the trading platforms approved by United Capital Management than through platforms that have not been approved by United Capital Management. Not all investment advisers restrict or limit the broker/dealers their clients can use. Some investment advisers permit their clients to select any broker/dealer of the client's own choosing.

### **Soft Dollar Benefits**

An investment adviser receives soft dollar benefits from a broker-dealer when the adviser receives research or other products and services in exchange for client securities transactions or maintaining an account balance with the broker-dealer.

Although United Capital Management does not have a formal soft dollar agreement with a broker-dealer or a third party as stated above the custodians used to hold client accounts (SA Stone and TD Ameritrade, Inc.) makes available to us research and other products and services that benefit our firm but may not benefit clients' accounts.

### **Handling of Trade Errors.**

United Capital Management has implemented procedures designed to prevent trade errors; however, trade errors in your accounts cannot always be avoided. Consistent with our fiduciary duty, it is the policy of United Capital Management to correct trade errors in a manner that is in your best interest. In cases where you cause the trade error, you will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, you may not be able to receive any gains generated as a result of the error correction. In all situations where you do not cause the trade error, you will be made whole and any loss resulting from the trade error will be absorbed by United Capital Management or your investment adviser representative if the error was caused by us. Your investment adviser may talk with you to determine if you would like the trade error corrected. If the error is caused by the broker-dealer, the broker-dealer will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will remain in your account unless the same error involved other client account(s) that should also receive the gains and it is not permissible for all clients to retain the gain. United Capital Management will never benefit or profit from trade errors.

### **Block Trading Policy**

Transactions implemented by your investment adviser representative for your accounts are generally effected independently, unless your investment adviser representative decides to purchase or sell the

same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by your investment adviser representative when he or she believe such action may prove advantageous to clients. When your investment adviser representative aggregates client orders, the allocation of securities among client accounts will be done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among your investment adviser's clients in proportion to the purchase and sale orders placed for each client account on any given day. When your investment adviser representative determines to aggregate client orders for the purchase or sale of securities, including securities in which your investment adviser representative may invest, United Capital Management will do so in accordance with the parameters set forth in the SEC No-Action Letter, SMC Capital, Inc. It should be noted, United Capital Management and your investment adviser representative do not receive any additional compensation or remuneration as a result of aggregation.

## **Item 13 – Review of Accounts**

### **Account Reviews and Reviewers**

Financial planning services terminate upon presentation of the written plan or completion of the financial planning consultation services. Therefore, no reviews are conducted for these accounts. If you elect to have a review and update to an original financial plan, additional fees may be charged and clients may be required to sign a new investment advisory agreement.

Accounts subject to our asset management services are reviewed on a quarterly basis. Your investment adviser representative is responsible for reviewing your account. The calendar is the main triggering factor, although more frequent reviews may also be triggered by changes in your circumstances, your request, or unusual market activity.

Your accounts subject to our asset management services are reviewed by your investment adviser representative to analyze if the account is being managed in accordance with your chosen investment objective, that the account is properly balanced, if it is being managed according to a specific asset allocation model, and to verify the accuracy of account holdings and fee deductions.

If your accounts are subject to asset management services, your investment adviser representative will generally contact you at least annually, or on a schedule agreed upon by you and your investment adviser representative, to discuss changes in your goals, investment objectives, and personal and financial situation.

### **Statements and Reports**

If you have accounts subject to our asset management services, you will receive statements at least quarterly from the qualified custodian at which their accounts are maintained. United Capital Management provides performance and position reports on a quarterly or as-needed basis. You are encouraged to always compare reports provided by United Capital Management and your investment adviser representative against the accounts statements delivered from the qualified custodian.



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

### **Other Compensation**

Your investment adviser representative, in his or her separate capacity as a registered representative of our affiliated broker-dealers may receive commissions from the execution of securities transactions. In addition, your investment adviser representative may receive 12b-1 fees from certain mutual fund companies as outlined in the fund's prospectus. 12b-1 fees come from fund assets, therefore, indirectly from client assets. The receipt of such fees could represent an incentive for your investment adviser representative to recommend funds with 12b-1 fees over funds that have no fees or lower fees. As a result, there is a potential conflict of interest. When managing ERISA and qualified accounts, your investment adviser representative must lower or offset the management fee by the amount of 12b-1 fees and other commissions received in the event such types of compensation are received by your investment adviser representative in their individual capacity as registered representative of SA Stone Wealth Management, Inc.

Your investment adviser representative may also be licensed as an insurance agent, including those approved to conduct business under United Capital Management's affiliated insurance agency, United Capital Insurance LLC, and receive commissions and other incentive awards for the recommendation/sale of annuities and other insurance products. The receipt of this compensation may affect the judgment of your investment adviser representative when recommending insurance products to you.

While your investment adviser representative endeavors at all time to put the interests of you first, the receipt of commissions and additional compensation itself creates a conflict of interest, and may affect the judgment of your investment adviser representative when making recommendations. In addition to the economic benefits, including assistance and services, detailed above, your investment adviser representative's broker-dealer, SA Stone Wealth Management, Inc., may enter into specific arrangement with product sponsors and other third parties. Your investment adviser representative in his separate capacity as a registered representative of SA Stone Wealth Management, Inc. may offer a wide variety of products and programs including mutual funds, annuities, life insurance, and investment programs (collectively referred to as "Approved Product Companies"). Although your investment adviser representative endeavors at all times to put the interest of our clients ahead of his or her own interests, these arrangements could affect the judgment of your investment adviser representative when recommending investment products in his or her separate capacity as a registered representative of SA Stone Wealth Management, Inc. These situations present a conflict of interest that may affect the judgment of your investment adviser representative.

For additional information on a particular product's payment and compensation practices, please see the prospectus, offering documents or statements of additional information.

From time to time, United Capital Management may receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite some or all of the costs incurred for marketing such as advertising, publishing, client appreciation events and seminar expenses.

Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made. United Capital Management and its representatives endeavor at all times to put the interest of the clients first as a part of their fiduciary duty. However, clients should be aware that receiving additional compensation through nominal sales awards, expense reimbursements, etc. creates a conflict of interest that may impact the judgment of the representatives when making advisory recommendations.

These payments create a conflict of interest in that there is an incentive to recommend certain products and investments based on the receipt of this compensation instead of what is in the best interest of our clients. We attempt to control for this conflict by always basing investment decisions on the individual needs of our clients.

### ***Solicitors – Referring Parties - Banking or Thrift Institutions***

United Capital Management has established a marketing arrangement with banks and other depository institutions whereby United Capital Management pay a referral fee to the financial institution which is based upon a portion of the referred client's investment advisory fees collected by United Capital Management. As a result, the employees of the bank and other depository institution have a conflict of interest when recommending United Capital Management. A prospective client referred by the bank and other depository institution is under no obligation to utilize the investment advisory services of United Capital Management. A prospective client referred by United Capital Management is urged to make his or her own independent investigation and evaluation of United Capital Management.

A client referred to United Capital Management by a bank and other depository institution should understand the following:

- United Capital Management is not a bank or any other type of financial depository institution.
- With respect to the securities recommended or selected by United Capital Management, such securities
  - Are not insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA);
  - Are not endorsed or guaranteed by the bank or credit union; and
  - Are subject to investment risks, including possible loss of principal invested.

### **Item 15 – Custody**

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented.

United Capital Management is deemed to have custody of client funds and securities whenever United Capital Management is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody United Capital Management will ever maintain.

When fees are deducted from an account subject to our asset management services, United Capital Management is responsible for delivering instructions to the qualified custodian who calculates the fees and deducts them from your account. Fees are then forwarded to United Capital Management. The custodian's account statement will include the details of the fee's deducted.

For accounts in which United Capital Management is deemed to have custody, United Capital Management has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for you under your name. You or your independent representative (independent of United Capital Management and your investment adviser representative) will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to you, or your independent representative, at least quarterly. You should carefully review those statements and are urged to compare the statements against reports received from United Capital Management and your investment adviser representative. When you have questions about your account statements, you should contact United Capital Management and the qualified custodian preparing the statement.

### Item 16 – Investment Discretion

Under our asset management services, upon receiving written authorization from you, United Capital Management will maintain trading authorization over your designated accounts. Once you have provided United Capital Management with trading authority, United Capital Management will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold.

Additionally, under our asset management services, upon receiving written authorization from you, United Capital Management may implement trades on a **discretionary** basis. When discretionary authority is granted, United Capital Management will have the authority to determine the type of securities, the amount of securities that can be bought or sold for your portfolio without obtaining your consent for each transaction. However, it is the policy of United Capital Management to consult with the client prior to making significant changes in the account even when discretionary trading authority is granted by the client. If you decide to grant trading authorization on a **non-discretionary** basis, we will be required to contact you prior to implementing changes in your account. Therefore, you will be contacted and required to accept or reject our investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

If your accounts are managed on a non-discretionary basis, you need to know that if you are not able to be reached or are slow to respond to our request, it can have an adverse impact on the timing of trade implementations and we may not achieve the optimal trading price.

You have the ability to place reasonable restrictions on the types of investments that may be purchased in an account. You may also place reasonable limitations on the discretionary power granted to our firm so long as the limitations are specifically set forth or included as an attachment to the client agreement.

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

United Capital Management will not vote or advise you about how to vote proxies for securities held in your account. The account custodian should promptly send you all proxies and related shareholder communications for the securities maintained in the account. You will maintain exclusive responsibility for determining all proxy voting decisions in your account.

If the account is maintained on behalf of a plan subject to ERISA, you understand that proxy voting is considered to be a plan asset and that United Capital Management, as the investment manager, has the obligation to make certain all proxies are voted unless the plan document (not this Agreement) states that the right to vote proxies has been reserved to the plan trustees. In such instances, you represent that the plan document reserves to the plan trustees the right to vote proxies and that you will maintain exclusive responsibility for determining all proxy voting decisions.

## **Item 18 – Financial Information**

This item is not applicable to this brochure. United Capital Management does not require or solicit prepayment of more than \$500 in fees, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, United Capital Management has not been the subject of a bankruptcy petition at any time.

United Capital Management of KS is participating in the Paycheck Protection Plan (“PPP”) loan program through the U.S. Small Business Administration in conjunction with the relief afforded from the CARES Act during the COVID-19 Pandemic.

The PPP loan program is designed to provide a direct financial incentive for a small business to keep its employees on the payroll. In order to receive a PPP loan, the small business must certify that the current economic uncertainty makes this PPP loan request necessary to support its ongoing operations. For additional details about the PPP loan program, please visit <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program> and <https://home.treasury.gov/system/files/136/PPP--Fact-Sheet.pdf>.

On 04/17/2020, United Capital management of KS received a PPP loan in the amount of \$283,037.00. This PPP loan has a 1% fixed interest rate and must be repaid within 2 years (but the initial payments are deferred for the first 6 months). The PPP loan did not require any collateral nor a personal guarantee. The U.S. Small Business Administration will forgive United Capital Management of Kansas' repayment of such PPP loan (or a portion of the PPP loan depending upon the circumstances) if all employees are kept on the payroll for eight weeks and the proceeds are used for payroll expenses, rent, mortgage interest, or utilities.

## **CUSTOMER PRIVACY POLICY NOTICE**

In November of 1999, Congress enacted the Gramm-Leach-Bliley Act (GLBA). The GLBA requires certain financial institutions, such as investment advisor firms, to protect the privacy of customer information. In situations where a financial institution does disclose customer information to nonaffiliated third parties, other than permitted or required by law, customers must be given the opportunity to opt out or prevent such disclosure. United Capital Management does not share or disclose customer information to nonaffiliated third parties except as permitted or required by law.

United Capital Management is committed to safeguarding the confidential information of its clients. United Capital Management holds all personal information provided by clients in the strictest confidence and it is the objective of United Capital Management to protect the privacy of all clients. Except as permitted or required by law, United Capital Management does not share confidential information about clients with nonaffiliated parties. In the event that there were to be a change in this policy, United Capital Management will provide clients with written notice and clients will be provided an opportunity to direct United Capital Management as to whether such disclosure is permissible.

To conduct regular business, United Capital Management may collect personal information from sources such as:

- Information reported by the client on applications or other forms the client provides to United Capital Management
- Information about the client's transactions implemented by United Capital Management or others
- Information developed as part of financial plans, analyses or investment advisory services

To administer, manage, service, and provide related services for client accounts, it is necessary for United Capital Management to provide access to customer information within the firm and to nonaffiliated companies, such as the qualified custodian, with whom United Capital Management has entered into agreements with. To provide the utmost service, United Capital Management may disclose the information below regarding customers and former customers, as necessary, to companies to perform certain services on our behalf.

- Information United Capital Management receives from the client on applications (name, social security number, address, assets, etc.)
- Information about the client's transactions with United Capital Management or others (account information, payment history, parties to transactions, etc.)
- Information concerning investment advisory account transactions
- Information about a client's financial products and service transactions with United Capital Management

Since United Capital Management shares nonpublic information solely to service client accounts, United Capital Management does not disclose any nonpublic personal information about United Capital Management's customers or former customers to anyone, except as permitted by law. However, United Capital Management may also provide customer information outside of the firm as required by law, such as to government entities, consumer reporting agencies or other third parties in response to subpoenas.