

**Item 1 – Cover Page**

**United Capital Management of Kansas, Inc.**

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Updated: March 29, 2023

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This brochure provides information about the business practices of United Capital Management of Kansas, Inc. If you have any questions about the contents of this brochure, please contact Ryan Kolzow at 785-823-7900 or [Ryan.Kolzow@unitedcapitalgroup.net](mailto:Ryan.Kolzow@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 update in June 2022, the following material changes have occurred:

- **Item 4** – added information regarding the types of clients the adviser serves; Added service description related to held-away assets;
- **Item 5** – added information regarding termination of advisory services and return of unearned fees; added enhanced disclosures regarding conflicts of interest relating to recommendation of transaction-based investment products; added that clients may also pay prime brokerage fees, including “trade away” fees;
- **Item 7** – added that the firm requires a minimum account size of \$100,000 for clients participating in prime brokerage arrangements;
- **Item 8** – added that for certain Accredited Investors, the firm may participate in over the counter (“OTC”) transactions, as well as invest in micro and small capitalization companies, mortgage-backed securities, collateralized mortgage obligations (“CMOs”), distressed securities, and crypto-currency products; added that the firm may also invest a significant portion of the client’s assets into a single security; added the risks associated with these practices. **Item 9** – Added disclosure that the firm’s founder entered a Letter of Acceptance, Waiver, and Consent with the Financial Industry Regulatory Authority;
- **Item 11** – updated disclosures regarding employee personal trading and related conflicts of interest; and
- **Item 12** – updated information regarding brokerage arrangements and related fees and conflicts of interest.

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, if any, 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 “UCMK” 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 and primary owner 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.

UCMK offers four services:

1. Consulting Services
2. Asset Management Services for Individuals, Trusts, Estates, High Net Worth Individuals, Charitable Organizations, Corporations, and other business types
3. Fiduciary Retirement Plan Services Exclusively for ERISA Retirement Accounts

**Consulting Services** - United Capital Management provides consulting services to clients engaged in the firm’s Asset Management service.

A conflict will exist between the interests of United Capital Management, your IAR and your interests. If you choose to implement your IAR’s advice, your IAR will earn commissions in his or her separate capacity as a registered representative of SA Stone Wealth Management, Inc. if implemented as a commission account or the Client may implement recommendations resulting from the services totally away from UCMK.

Our Investment Advisor Representatives (IARs) are restricted to providing services and charging fees based in accordance with the descriptions detailed in this document and the account Agreement. However, the exact service and fees charged to a particular Client are dependent upon the IAR that is working with the Client. Advisors are instructed to consider the individual needs of each Client when recommending an advisory platform. Investment strategies and recommendations are tailored to the individual needs of each Client under this service.

Prior to engaging UCMK to provide services, the Client will generally be required to enter into a written contractual agreement with UCMK setting forth the terms and conditions of the engagement and describing the scope of the services to be provided. Investment Advisor representatives are restricted to providing services and charging fees based in accordance with the descriptions detailed in this document and the account agreement.

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

**Asset Management Services** – Under this program, asset management services involve United Capital Management providing you with on-going supervision over your designated accounts. This means that if you execute our asset management services Agreement, United Capital Management will monitor your designated account and make trades in these accounts on a discretionary basis when necessary. Under this program, United Capital Management actively manages investment portfolios in accordance with return objectives and risk tolerance.

United Capital Management typically provides asset management services to accounts held by a qualified custodian, such as StoneX (trade name for SA Stone Wealth Management, Inc., StoneX Financial Inc. & related StoneX Group Companies) or TD Ameritrade Institutional, a division of TD Ameritrade, Inc., member FINRA/SIPC. Inc. ("TD Ameritrade") and Fidelity. All but six of the Investment Adviser Representatives (IARs) at United Capital Management also serves as a registered representative of SA Stone Wealth Management, Inc. or are "dually registered" persons; however, United Capital Management and StoneX/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 IAR to manage. A separate account is always maintained for you with a 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 IAR. *Please refer to Item 16 – Investment Discretion of this brochure for more details.*

You, as a client, are responsible for notifying your IAR of any changes to your financial situation or investment objectives. Your IAR 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.

United Capital Management and your IAR 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.*

## **Fiduciary Retirement Plan Services**

United Capital Management offers retirement plan services to retirement plan sponsors and to individual

participants in retirement plans through PCS Planning Services, a qualified retirement plan sponsor which UCMK has designated as “Fiduciary Consulting Services.” For a corporate sponsor of a retirement plan, our retirement plan services can include, but are not limited to, the following services:

#### Fiduciary Consulting Services through PCS Planning Services

United Capital Management provides the following Fiduciary Retirement Plan Consulting Services:

- Investment Policy Statement Preparation. United Capital Management will help you develop an investment policy statement. The investment policy statement establishes the investment policies and objectives for the Plan. You will have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the investment policy statement.
- Investment Selection Services. United Capital Management will provide you with recommendations of investment options consistent with ERISA section 404(c).
- Investment Due Diligence Review. United Capital Management will provide you with periodic due diligence reviews of the Plan’s reports, investment options and recommendations.
- Investment Monitoring. United Capital Management will assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformation to the guidelines set forth in the investment policy statement and United Capital Management will make recommendations to maintain or remove and replace investment options.
- Default Investment Alternative Advice. United Capital Management will provide you with non-discretionary investment advice to assist you with the development of qualified default investment alternative(s) (“QDIA”), as defined in DOL Reg. Section 2550.404c-5(e)(4)(i), for participants who are automatically enrolled in the Plan or who otherwise fail to make an investment election. You will retain the sole responsibility to provide all notices to participants required under ERISA section 404(c)(5).
- Individualized Participant Advice. Upon request, United Capital Management will provide one-on-one advice to Plan participants regarding their individual situations.

For Fiduciary Consulting Services, all recommendations of investment options and portfolios will be submitted to you for your ultimate approval or rejection. For retirement plan Fiduciary Consulting Services, the retirement plan sponsor client or the plan participant who elects to implement any recommendations made by us is solely responsible for implementing all transactions.

Fiduciary Consulting Services are not management services, and United Capital Management does not serve as administrator or trustee of the plan. United Capital Management does not act as custodian for any client account or have access to client funds or securities (with the exception of, some accounts, having written authorization from the client to deduct our fees).

United Capital Management acknowledges that in performing the Fiduciary Consulting Services listed above that it is acting as a “fiduciary” as such term is defined under Section 3(21)(A)(ii) of Employee Retirement Income Security Act of 1974 (“ERISA”) for purposes of providing non-discretionary investment advice only. United Capital Management will act in a manner consistent with the requirements of a fiduciary under ERISA if, based upon the facts and circumstances, such services cause United Capital Management to be a fiduciary as a matter of law. However, in providing the Fiduciary Consulting Services, United Capital Management (a) has no responsibility and will not (i) exercise any discretionary authority or discretionary control respecting

management of Client's retirement plan, (ii) exercise any authority or control respecting management or disposition of assets of Client's retirement plan, or (iii) have any discretionary authority or discretionary responsibility in the administration of Client's retirement plan or the interpretation of Client's retirement plan documents, (b) is not an "investment manager" as defined in Section 3(38) of ERISA and does not have the power to manage, acquire or dispose of any plan assets, and (c) is not the "Administrator" of Client's retirement plan as defined in ERISA.

#### *Held-Away Assets*

United Capital Management utilizes a third-party platform, ADP Advisors ("ADP"), to facilitate the management of held-away assets in which United Capital Management will have discretionary authority to implement asset allocation and rebalancing strategies on behalf of the client. These are primarily 401(k) accounts, 529 Plans, HSAs, and other assets that are held at third-party custodians. United Capital Management regularly reviews the available investment options in these accounts, monitors, rebalances and implements its strategies in the same way it does other accounts, though using different tools, as necessary. United Capital Management is limited by the universe of investments offered by the custodian(s) for these held-away accounts. United Capital Management is not affiliated with ADP and receives no compensation from them for using their platform. However, the clients United Capital Management manages within ADP will pay United Capital Management a fee for its investment advisory services.

#### ***Fiduciary Management Services***

United Capital Management provides clients with the following Fiduciary Retirement Plan Management Services as a part of their Fiduciary Consulting Services:

- Discretionary Management Services. United Capital Management will provide you with continuous and ongoing supervision over the designated retirement plan assets. United Capital Management will actively monitor the designated retirement plan assets and provide advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the Plan. We have discretionary authority to make all decisions to buy, sell or hold securities, cash or other investments for the designated retirement plan assets in our sole discretion without first consulting with you. We also have the power and authority to carry out these decisions by giving instructions, on your behalf, to brokers and dealers and the qualified custodian(s) of the Plan for our management of the designated retirement plan assets.

If you elect to utilize any of United Capital Management's Fiduciary Consulting Services, then United Capital Management will be acting as an Investment Manager to the Plan, as defined by ERISA section 3(38), with respect to our Fiduciary Management Services, and United Capital Management hereby acknowledges that it is a fiduciary with respect to its Fiduciary Management Services.

#### ***Non-Fiduciary Services***

Although an investment adviser is considered a fiduciary under the Investment Advisers Act of 1940 and required to meet the fiduciary duties as defined by the Advisers Act, the services listed here as non-fiduciary should not be considered fiduciary services for the purposes of ERISA since Advisor is not acting as a fiduciary to the Plan as the term "fiduciary" is defined in Section 3(21)(A)(ii) of ERISA. The exact suite of services provided to a client will be listed and detailed in the Qualified Retirement Plan Agreement.



United Capital Management provides clients with the following Non-Fiduciary Retirement Plan Consulting Services:

- Participant Education. United Capital Management will provide education services to Plan participants about general investment principles and the investment alternatives available under the Plan. United Capital Management's assistance in participant investment education will be consistent with and within the scope of DOL Interpretive Bulletin 96-1. Education presentations will not take into account the individual circumstances of each participant and individual recommendations will not be provided unless otherwise agreed upon. Plan participants are responsible for implementing transactions in their own accounts.
- Participant Enrollment. United Capital Management will assist you with group enrollment meetings designed to increase retirement plan participation among employees and investment and financial understanding by the employees.
- Qualified Plan Development. United Capital Management will assist you with the establishment of a qualified plan by working with you and a selected Third Party Administrator. If you have not already selected a Third Party Administrator, we shall assist you with the review and selection of a Third Party Administrator for the Plan.
- Due Diligence Review. United Capital Management will provide you with periodic due diligence reviews of your Plan's fees and expenses and your Plan's service providers.
- Fiduciary File Set-up. United Capital Management will help you establish a "fiduciary file" for the Plan which contains trust documents, custodial/brokerage statements, investment performance reports, services agreements with investment management vendors, the investment policy statement, investment committee minutes, asset allocation/asset liability studies, due diligence fields on funds/money managers and monitoring procedures for funds and/or money managers.
- Benchmarking. United Capital Management will provide you benchmarking services and will provide analysis concerning the operations of the Plan.

Securities and other types of investments all bear different types and levels of risk. Those risks are typically discussed with clients in defining the investment policies and objectives that will guide investment decisions for their qualified plan accounts. Upon request, as part of our retirement plan services, we can discuss those investments and investment strategies that we believe may tend to reduce these risks for a particular client's circumstances and plan participants.

Clients and plan participants must realize that obtaining higher rates of return on investments entails accepting higher levels of risk. Based upon discussions with the client, we will attempt to identify the balance of risks and rewards that is appropriate and comfortable for the client and other employees. It is still the clients' responsibility to ask questions if the client does not fully understand the risks associated with any investment. All plan participants are strongly encouraged to read prospectuses, when applicable, and ask questions prior to investing.

United Capital Management cannot assure that investments will be profitable or assure that no losses will occur in their portfolios. Past performance is an important consideration with respect to any investment or investment advisor, but it is not necessarily an accurate predictor of future performance.

United Capital Management will disclose, to the extent required by ERISA Regulation Section 2550.408b- 2(c),

to you any change to the information that we are required to disclose under ERISA Regulation Section 2550.408b-2(c)(1)(iv) as soon as practicable, but no later than sixty (60) days from the date on which we are informed of the change (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable). In accordance with ERISA Regulation Section 2550.408b-2(c)(vi)(A), we will disclose within thirty (30) days following receipt of a written request from the responsible plan fiduciary or Plan Administrator (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable) all information related to the Qualified Retirement Plan Agreement and any compensation or fees received in connection with the Agreement that is required for the Plan to comply with the reporting and disclosure requirements of Title 1 of ERISA and the regulations, forms and schedules issued thereunder.

If we make an unintentional error or omission in disclosing the information required under ERISA Regulation Section 2550.408b-2(c)(1)(iv) or (vi), we will disclose to you the correct information as soon as practicable, but no later than thirty (30) days from the date on which we learn of such error or omission.

## **IRA Rollovers**

Retirement Plan *Rollover Recommendations* - When UCMK provides investment advice about your retirement plan account or individual retirement account ("IRA") including whether to maintain investments and/or proceeds in the retirement plan account, roll over such investment/proceeds from the retirement plan account to a IRA or make a distribution from the retirement plan account, we acknowledge that UCMK is a "**fiduciary**" within the meaning of Title I of the Employee Retirement Income Security Act ("ERISA") and/or the Internal Revenue Code ("IRC") as applicable, which are laws governing retirement accounts.

The way UCMK makes money creates conflicts with your interests so UCMK operates under a special rule that requires UCMK to act in your best interest and not put our interest ahead of you.

Under this special rule's provisions, UCMK must as a fiduciary to a retirement plan account or IRA under ERISA/IRC:

- Meet a professional standard of care when making investment recommendations
- (e.g., give prudent advice);
- Never put the financial interests of UCMK ahead of you when making recommendations (e.g., give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that UCMK gives advice that is in your best interest;
- Charge no more than is reasonable for the services of UCMK; and
- Give Client basic information about conflicts of interest.

To the extent We recommend you roll over your account from a current retirement plan account to an individual retirement account managed by UCMK, please know that UCMK and our investment adviser representatives] have a conflict of interest.

We can earn increased investment advisory fees by recommending that you roll over your account at the retirement plan to an IRA managed by UCMK. We will earn fewer investment advisory fees if you do not roll

over the funds in the retirement plan to an IRA managed by UCMK.

Thus, our investment adviser representatives have an economic incentive to recommend a rollover of funds from a retirement plan to an IRA which is a conflict of interest because our recommendation that you open an IRA account to be managed by our firm can be based on our economic incentive and not based exclusively on whether or not moving the IRA to our management program is in your overall best interest.

We have taken steps to manage this conflict of interest. We have adopted an impartial conduct standard whereby our investment adviser representatives will (i) provide investment advice to a retirement plan participant regarding a rollover of funds from the retirement plan in accordance with the fiduciary status described below, (ii) not recommend investments which result in UCMK receiving unreasonable compensation related to the rollover of funds from the retirement plan to an IRA, and (iii) fully disclose compensation received by UCMK and our supervised persons and any material conflicts of interest related to recommending the rollover of funds from the retirement plan to an IRA and refrain from making any materially misleading statements regarding such rollover.

When providing advice to you regarding a retirement plan account or IRA, our investment advisor representatives will 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 UCMK or our affiliated personnel.

However, notwithstanding these procedures, it may be more costly to acquire UCMK's IAR management of a plan than to maintain the plan where it currently resides.

In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of: 1. Leaving the funds in your employer's (former employer's) plan. 2. Moving the funds to a new employer's retirement plan. 3. Cashing out and taking a taxable distribution from the plan. 4. Rolling the funds into an IRA rollover account. Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney. If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
  - a. Employer retirement plans generally have a more limited investment menu than IRAs.
  - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
  - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
  - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required

minimum distribution beyond age 72.

6. Your 401k may offer more liability protection than a rollover IRA; each state may vary. a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name. It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.

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

With some exceptions, your IAR 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 IAR is not permitted to provide advice on futures contracts.

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

- No-Load Investment Company Shares (i.e. 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
- Fee Based or No Load Variable life insurance
- Fee Based or No Load 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. We work with each client on a one-on-one basis through interviews and questionnaires to determine their investment objectives and suitability information. Clients may impose reasonable restrictions on the types of investments that may be purchased in their account.

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

As of December 31, 2022, United Capital Management manages \$304,165,143 on a discretionary basis and \$473,251 on a non-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 Consulting Services**

Fees charged for consulting service are encompassed in the firm's Asset Management service fee. See "Fees for Asset Management Services" below. Clients are not charged a separate fee for consulting services.

### **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 firm provides asset management services for a percentage of assets under management. The minimum account size is \$5,000 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 and fees generally range from .75%-2%. UCMK's fee schedule is 2.5% for amounts \$1,000-\$100,000,000, however all fees are negotiable with a prospect or client. A purchase in excess of \$100,000,000 by any single client is prohibited. The IAR is not empowered to make final approval any negotiated fees, but must submit the proposal to the ACO of UCMK for final approval of fees that might deviate from the maximum fee. UCMK reserves the right to reduce or waive minimum account size and fees at its sole discretion. The IAR's compensation does not cover trading costs and, hence, will exclude the trading charges (trades will be billed to the client at the registered investment advisor representatives cost). Any fee higher than 2% is higher than what is normally charged in the industry and other investment advisors can potentially provide the same or similar services at lower rates. The minimum sized account of \$5,000 which can be waived only with the permission of the ACO. In addition, there is an overriding minimum fee of \$50 per account on an annual basis.

Adviser compensation or fees are negotiated on a case-by-case basis, depending on a variety of factors, including the nature and complexity of the portfolio, extent of the activity in the account, your relationship with us and our IAR, the size of the account, the potential for other business or Clients, anticipated future additional assets, related accounts, the amount of work anticipated and the attention needed to manage your account. As a result of these and other factors, the sponsors of the advisory programs offered also set different limits on fees that are charged to you with a maximum of 2.5%. Client understands that any fee higher than 2% is higher than that normally charged in the industry and that other investment advisers that can provide the same or similar services at lower rates. Clients' value of all accounts under UCMK's advisement will be billed at the negotiated rate under this arrangement, including cash, cash equivalent balances and/or margin balances. The advisory fee is paid directly by the Client's Custodian to the firm of UCMK (not the individual). The firm of UCMK will then share the advisory fee with its IARs.

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. Our asset management fees do not include trading fees; they will be billed to you as trading occurs. 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 fees 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 will be paid to your IAR in his or her separate capacity as a registered representative of SA Stone Wealth Management, Inc. in some cases. These cases would exist only when there is no alternate fee share class available to the IAR that does not pay a 12(b)-1 fee.

The IAR will receive 12b-1 fees or commissions from certain classes of mutual funds as a Registered Representative of SA Stone Wealth Management, Inc. (SAWM) if acting as a commission broker. These shares are often Class A shares. The A shares in a client's account may be either transferred into the account from another existing account or may be purchased on a "load waived" basis through SA Stone Wealth Management (SAWM), even though there may be a lower cost class of shares available to the client. This creates a "conflict of interest" whenever the IAR recommends or effects transactions in such securities in an Adviser managed account. Although discouraged by UCMK, purchase of Class A shares or "load waived A shares" might be made that are not in an advisory Client's best interest and will cost more in fees. This share class should be avoided in Client accounts when possible. It is the policy of UCMK to convert any mutual funds transferred into a Client account to "adviser" class shares if possible. Client should call UCMK's attention to any class A shares in their account that might have been overlooked and request conversion to "adviser" class shares if possible. Client grants permission for the conversion of mutual funds to adviser shares in their Agreement with UCMK, which may have tax consequences, but are normally "tax neutral." Third parties which UCMK has no control over may or may not receive 12-b (1) fees from Client accounts. The third party may offer a "no transaction fee" option, but the class of share used may not be the lowest cost class of share available to the Client. Client realizes that long term they may be better off paying a transaction fee and receiving a lower cost share class. If "no transaction fee" mutual funds are employed a conversation with your IAR would be appropriate.

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. IARs may recommend these financial products to clients and may receive transaction-based compensation in connection with the sale of any such product to a client as a registered representative or insurance agent. Although these unmanaged assets can be held in client accounts and shown on the account statement for the client's convenience, these assets are not subject to management, monitoring or advice by United Capital Management or to management fees. If transaction-based compensation is paid to a dually licensed IAR for the initial investment, there will not be an on-going management fee for the asset(s) covered. A conflict of interest exists as IARs have an incentive to recommend that clients purchase certain transaction-based investment products (e.g., insurance products, commissionable securities) based on the compensation the IAR will earn as opposed to the client's needs. To mitigate this conflict, UCMK, as fiduciary, will only recommend transaction-based investment products when it believes it to be in the client's best interest. Furthermore, clients are under no obligation to purchase transaction-based investment products through any of UCMK's related persons or entities, and may purchase these products through other brokers or agents that are not affiliated with UCMK.

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.

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 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.

### **Fees for Retirement Plan Services via PCS Planning Services**

For retirement plans offered through Fiduciary Consulting Services, United Capital Management will charge a fee that is calculated as a percentage of the value of plan assets and assessed on a quarterly basis. This fee is negotiable based upon the complexity of the plan, the size of the plan assets, the actual services requested, the representative providing the services and the potential for additional deposits.

Although the Plan fees are negotiable, a minimum annualized fee, paid quarterly, will be charged based (for Retirement Plan Services only offered by Fiduciary Consulting Services usually utilizing PCS Planning Services) based upon the amount of Plan assets:

<b>Assets Range</b>			<b>Average Fee</b>
<b>From</b>	<b>To</b>		<b>%</b>
\$ -	\$ 1,000,000.00		0.75%
\$ 1,000,001.00	\$ 2,500,000.00		0.55%
\$ 2,500,001.00	\$ 5,000,000.00		0.45%
\$ 5,000,001.00	\$ 10,000,000.00		0.35%
\$ 10,000,001.00			0.20%

NOTE: THESE MINIMUM FEES APPLY TO PCS PLANNING SERVICES FOR FIDUCIARY CONSULTING SERVICES **ONLY**-NOT TO ANY ACCOUNTS OTHER THAN 401(k) ACCOUNTS.

For retirement plan sponsors fees are billed in arrears (at the end of the billing period) on a quarterly (as opposed to other assets billed on a monthly basis) calendar basis and calculated based on the fair market value of your account as of the last business day of the current 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.

Clients can elect to have the fee deducted from their account or billed directly and due upon receipt of the billing notice. If clients elect to have the fee automatically deducted from an existing account, they are required to provide the custodian with written authorization to deduct the fees from the account and pay the fees to United Capital Management. There may or may not be tax consequences if fees are paid from the retirement account. We will provide the custodian with a fee notification statement.

Either party may terminate services by providing written notice of termination to the other party. If services are terminated within five business days of signing the client agreement, services are terminated without penalty. Any prepaid but unearned fees are promptly refunded to the client at the effective date of termination.



United Capital Management does not reasonably expect to receive any other compensation, direct or indirect, for its Services. If we receive any other compensation for such services, we will (i) offset that compensation against our stated fees, and (ii) will disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to you.

## **Other Fees**

UCMK provides investment management services for an annual fee based upon a percentage of the market value of the assets being managed by UCMK. UCMK's annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, prime brokerage fees, including "trade away" fees, and other related costs and expenses which are incurred by the Client. Our Adviser/IAR's compensation does not cover trading costs and, hence, will exclude the trading charges (trades will be billed to the Client at the registered investment adviser representative's cost). UCMK does not, however, receive any portion of these commissions, fees, and costs.

UCMK does not offer a "wrap account." Other than Advisor Compensation fees, the Client may cover costs that might be associated with their account from their Custodian, broker dealer, trustee, etc. which may be some of the below. While reasonably comprehensive, this may not include all costs:

Checking account charges, Returned check charges, Photocopy of canceled checks, Credit card charge, account transfer fee, Wire transfer fees, Prepay fee. Returned outgoing wire transfer fee, Accommodation fee, Next day deliver fee, Priority next day delivery fee, Saturday delivery fee, Foreign address fee, USPS Priority mail fee, Low-priced/large quantity review/processing fee, Legal transfer fee, Non-equity physical processing fee, Non-DTCC eligible receipt/deliver fee, RVP/DVP fee, DWAC deposit/withdrawal, Exercising employee stock option, Canadian deposit, Foreign deposit, Transfer agent fees, Customer research or document reproduction fee, Bond fees, Redemption/Termination fee, Corporate action deposits fee, Corporation action physical certificates fee, Mutual fund positions networking fee, Mutual fund transaction fee, Option reporting fee, Private placement/limited partnership safekeeping, re- registration or transfer fee, Voluntary corporate action instruction fee, Retirement account termination fee, Foreign exchanges fee, Commission/transaction fee/Fees, Postage/handling/administrative/ticket fee, Regulatory fees/taxes & Margin interest and Miscellaneous Fee. Trading charges for trades within a certain number of days Potential Brokerage Service Fees: Checking account charges, Returned check charges, Photocopy of canceled checks, Credit card charge, account transfer fee, Wire transfer fees, Prepay fee. Returned outgoing wire transfer fee, Accommodation fee, Next day deliver fee, Priority next day delivery fee, Saturday delivery fee, Foreign address fee, USPS Priority mail fee, Low-priced/large quantity review/processing fee, Legal transfer fee, Non-equity physical processing fee, Non-DTCC eligible receipt/deliver fee, RVP/DVP fee, DWAC deposit/withdrawal, Exercising employee stock option, Canadian deposit, Foreign deposit, Transfer agent fees, Customer research or document reproduction fee, Bond fees, Redemption/Termination fee, Corporate action deposits fee, Corporation action physical certificates fee, Mutual fund positions networking fee, Mutual fund transaction fee, Option reporting fee, Private placement/limited partnership safekeeping, re-registration or transfer fee, Voluntary corporate action instruction fee, Retirement account termination fee, Foreign exchanges fee, Commission/transaction fee/commission, Postage/handling/administrative/ticket fee, Regulatory fees/taxes & Margin interest. When trades "at cost" to the Client is referred to in any forms or documents, it simply means there is no additional compensation built in the cost for commissions that would be given to the IAR or UCMK, i.e. whatever transaction or commission is charged by the Custodian, broker dealer, trust company, etc. is passed onto the Client with no "markup" for the Registered Representative or the IAR (dually registered person).

## **Client Directed Purchases**

The Client has the ability to purchase or sell positions in their account. However, the Client should either provide prior notice or immediate notice after the sale/purchase of securities to allow the RIA to invest any new funds accordingly or consider the lack of funds to do so. It is important that prompt and efficient lines of communication be maintained between the Client and the IAR. The Adviser/IAR may purchase specific individual securities for the account(s) at the direction of the Client (i.e., the request to purchase was initiated solely by the Client), the Client acknowledges that the Adviser shall do so as an accommodation only, and that the Client shall maintain exclusive ongoing responsibility for monitoring any and all such individual securities and the disposition thereof. Correspondingly, the Client further acknowledges and agrees that the Adviser shall not have responsibility for the performance of any and all such securities, regardless of whether any such security is reflected on any quarterly account report prepared by Adviser/IAR or on the Custodial statements. However, the Adviser may continue to include any such assets for purposes of determining Adviser Compensation.

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

Item 6 of the Form ADV Part 2 instructions are 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
- ERISA Retirement Plans through Retirement Plan Services via PCS Planning Services

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 asset management services, United Capital Management requires a minimum account size of \$5,000. For clients participating in prime brokerage arrangements, United Capital Management requires a minimum account size of \$100,000. Exemptions to such minimum account sizes 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 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 Depositary 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, Municipals or ETFs containing these type securities. 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.

When appropriate for certain Accredited Investors, United Capital may participate in over the counter ("OTC") transactions, as well as invest in micro and small capitalization companies, mortgage-backed securities, collateralized mortgage obligations ("CMOs"), distressed securities, and crypto-currency products. United Capital may also invest a significant portion of the client's assets into a single security. Please see "Risk of Loss" below for risks associated with these practices.

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 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.
- Micro Capitalization ("Micro-cap") Company Risk – Micro-cap companies are those with a market capitalization between approximately \$50 million and \$300 million. Micro-cap companies are highly risky. Many micro-cap companies are new and have no proven track record. Some of these companies have no assets, operations, or revenues. Others have products and services that are still in development or have yet to be tested in the market. Micro-cap companies often have significantly less publicly available information about them than larger cap companies. Additionally, micro-cap securities often lack liquidity, are highly volatile, and are more susceptible to fraud.
- Small Capitalization ("Small cap") Company Risk – Small cap companies are those with a market capitalization between approximately \$250 million and \$2 billion. Like micro-cap companies, small cap securities are also highly risky, though generally less risky than micro-cap securities. Small cap

companies often have more limited product lines, markets, and managements teams than larger cap companies, which could make their financial status less secure and predictable. Small cap securities are often less liquid and more volatile than larger cap securities.

- Mortgage-Backed Securities Risk – Mortgage-backed securities represent an interest in a pool of mortgages. Investing in mortgage-backed securities involves the general risks typically associated with investing in traditional fixed-income securities (including interest rate and credit risk) and certain additional risks and special considerations (including the risk of principal prepayment and the risk of investing in real estate). When market interest rates decline, more mortgages are refinanced and the securities are paid off earlier than expected. Prepayments may also occur on a scheduled basis or due to foreclosure. When market interest rates increase, the market values of mortgage-backed securities decline. At the same time, however, mortgage re-financings and prepayments slow, which lengthens the effective maturities of these securities. As a result, the negative effect of the rate increase on the market value of mortgage-backed securities is usually more pronounced than it is for other types of fixed-income securities. Further, different types of mortgage-backed securities are subject to varying degrees of prepayment risk. Finally, the risks of investing in such instruments reflect the risks of investing in real estate securing the underlying loans, including the effect of local and other economic conditions, the ability of tenants to make payments, and the ability to attract and retain tenants.
- Collateralized Mortgage Obligation (“CMO”) Derivative Risk – A collateralized mortgage obligation (“CMO”) is a complex type of mortgage-backed security that is created by pooling several individual mortgages into a single investment instrument. The cash flow from the mortgages is then divided into different tranches, or classes of securities, each with its own level of risk. The tranches are typically differentiated based on their priority in receiving cash flows, with senior tranches being paid first and lower tranches being paid later. CMOs are structured in a way that allows investors to receive regular payments of principal and interest similar to traditional mortgage-backed securities. However, the structure of CMOs allows for greater flexibility in managing risk, as the different tranches can be designed to meet the specific needs of different investors. CMOs are complex and are not suitable for all investors. CMOs share several of the same risks as traditional mortgage-backed securities, including prepayment risk, interest rate risk, credit risk, and liquidity risk.
- Distressed Securities – United Capital may purchase, directly or indirectly, securities and other obligations of companies that are experiencing significant financial or business distress, including companies involved in bankruptcy or other reorganization and liquidation proceedings. Although such purchases may result in significant returns, they involve a substantial degree of risk and may not show any return for a considerable period. In fact, many of these securities and investments ordinarily remain unpaid unless and until the company reorganizes and/or emerges from bankruptcy proceedings, and as a result may have to be held for an extended period. A wide variety of considerations, including, for example, the possibility of litigation between participants in a reorganization or liquidation proceeding or a requirement to obtain mandatory or discretionary consents from various governmental authorities or others, may affect the value of these securities and investments. The uncertainties inherent in evaluating such investments may be increased by legal and practical considerations that limit access to reliable and timely information concerning material developments affecting a company, or that cause lengthy delays in the completion of the liquidation or reorganization proceedings. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial distress is unusually high. There is no assurance that United Capital will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganization or

similar action. In any reorganization or liquidation proceeding relating to a company in which United Capital invests, clients may lose their entire investment or may be required to accept cash or securities with a value less than their original investment.

- OTC Transaction Risk – United Capital may engage in transactions involving investments traded on “over the counter” (“OTC”) markets. In general, there is less governmental regulation and supervision in the OTC markets than of transactions entered on an organized exchange. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearinghouse, will not be available in connection with OTC transactions. This exposes the client to risks that a counterparty will not settle a transaction because of a credit or liquidity problem or because of disputes over the terms of the contract. Therefore, to the extent that United Capital engages in trading on OTC markets, the client could be exposed to greater risk of loss through default than if United Capital confined its trading to regulated exchanges.
- Concentration Risk – United Capital may invest a significant portion (roughly 20% or more) of a client’s assets into a single security. Concentrating investments into a single security means that performance will be more susceptible to loss due to adverse occurrences affecting that particular security than a more diversified mix of investments.
- Crypto-Currency Risk – United Capital may recommend investment in crypto-currency products structured as a trust or exchange traded fund which pool capital together to purchase holdings of digital currencies or derivatives based on their value. Such products are extremely volatile and are suitable only as a means of diversification for investors with high risk tolerances. Furthermore, these securities carry very high internal expense ratios, and may use derivatives to achieve leverage or exposure in lieu of direct digital asset holdings. This can result in tracking error and may sell at a premium or discount to the market value of their underlying holdings. Security is also a concern for digital currency investments which make them subject to the additional risk of theft.
- Counterparty Risk – The Firm and/or its Clients may be subject to credit risk with respect to the counterparties to instruments entered into directly by the Clients or held by the Clients’ underlying investments. The Funds will also be subject to the risk that a counterparty may become unwilling or unable to meet its obligations prior to settlement. The Clients may also be exposed to the credit risk of counterparties through a wide range of activities that occur in the normal course of the activities of the Clients, including through service providers, banks, brokers, insurance providers, trading counterparties, co-investors, portfolio companies, prospective portfolio companies, or other entities that the Clients will have financial exposure to. If a counterparty becomes bankrupt or otherwise fails to perform its obligations under a contract due to financial difficulties, the Clients may experience significant delays in obtaining any recovery under the contract in a bankruptcy or other reorganization proceeding. The Clients may obtain only a limited recovery or may obtain no recovery in such circumstances. The Firm is not restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with a single counterparty. The ability of the Firm to transact business with any one or number of counterparties, the lack of any independent evaluation of such counterparties’ financial capabilities, and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Clients, especially during unusually adverse market conditions.
- Custody Risk – The Firm is required to maintain certain Client assets at a qualified custodian. Clients may incur a loss on securities and funds held in custody in the event of a custodian’s or sub



custodian's insolvency, negligence, fraud, poor administration, or inadequate recordkeeping. Custodial assets maintained at a bank do not typically become part of a failed bank's estate; however, the Firm's operations could be impacted by the bank's insolvency in that there may be a delay in trade settlement, delivery of securities, or other similar circumstance. Establishing multiple custodial relationships could mitigate custodial risk in the event of a bank failure.

- Bank Deposits Risk – Deposits maintained at a Federal Deposit Insurance Corporation ("FDIC") insured bank are covered up to \$250,000 per depositor, per insured bank, for each account ownership category, in the event of a bank failure. Any deposits over \$250,000 in cash at a single bank may be lost in the event that the bank fails. Further diversifying banking relationships could serve to minimize the potential uncertainty and destabilizing effect on the Firm's operations due to concern regarding the financial viability of a single banking institution. In addition, valuation of companies may experience significant price declines, volatility, and liquidity concerns as a result of short- and long-term financing to continue operations at normal levels.

### Important Information Concerning Alternative Investment Strategies

As a registered investment advisor, United Capital Management and its IARs 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.

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**

The Financial Industry Regulatory Authority ("FINRA") alleged that Chad Koehn participated in private securities transactions without providing notice to, or receiving prior approval from SA Stone Wealth Management Inc. in violation of FINRA Rules 3280 and 2010. Without admitting or denying these findings, Mr. Koehn entered a Letter of Acceptance, Waiver, and Consent ("AWC") with FINRA on October 21, 2022. Pursuant to the AWC, Mr. Koehn consented to a monetary fine and a temporary suspension from associating with any FINRA member in all capacities. The AWC can be found [here](#).

### **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 (including a mutual fund, closed-end investment company, unit investment trust, "hedge fund," or 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, or (7) real estate broker or dealer.

### **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 ("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. Further creating a conflict of interest is a one share ownership interest in NATC by principals of UCMK. 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 necessarily limited to life insurance, long-term care insurance, whole life and term life insurance. United Capital Management's IARs 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 IAR in his separate capacity as an insurance agent. If United Capital Insurance LLC or your IAR, 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 IAR will receive separate compensation (i.e. insurance commissions) in addition to investment advisory fees charged by United Capital Management. On average, our IARs spend approximately <5% of their time offering insurance products.

Our IAR, 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 IAR when recommending products to you. While United Capital Management requires our IARs 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 IAR's decision making process when making recommendations.

You are never obligated or required to purchase insurance products through your IAR 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 IAR may also serve as a registered representative of SA Stone Wealth Management, Inc. and, thus, be a "dually" registered person.

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

Your IAR, 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 “dually registered” IAR 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 IAR in the capacity as registered representative (dually registered person) will receive the normal and customary commission compensation in connection with the specific product purchased. This relationship creates a conflict of interest.

United Capital Management does not require your IAR 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 IAR, 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.

## **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.

United Capital Management or its related persons may invest in the same securities that are recommended clients and/or may buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. This practice creates an incentive for United Capital Management or its related persons to favor their transactions over client transactions. To mitigate this conflict, United Capital Management will put the client’s interests first.

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.

If the firm assists in the implementation of any recommendations from consulting services, 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
- Familiarity of the IAR with the system, service and technology of the provider

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**

Typically, United Capital Management will recommend that you establish brokerage accounts with StoneX or TD Ameritrade through their Institutional Platform. SA Stone, and TD Ameritrade, Inc. ("TD Ameritrade") are both members of FINRA/SIPC/NFA. StoneX and TD Ameritrade are 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. A limited number of accounts trade via Fidelity brokerage through UCT. Other custodians may be selected for client's managed accounts as deemed necessary by United Capital Management.

United Capital Management is independently owned and operated and not affiliated with StoneX, Fidelity 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, TD Ameritrade, Inc. & Fidelity (trading entity used by NATC) 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.

These services and/or 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, Fidelity (via NATC) 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. The products, services, and benefits obtained by United Capital Management will generally be used to service all its clients, but not necessarily all at any one particular time.

SA Stone, Fidelity, and TD Ameritrade, Inc. do not charge separately for custody but are 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.

A conflict of interest exists as United Capital Management has an incentive to recommend that clients maintain their accounts at SA Stone, Fidelity (NATC), or TD Ameritrade based on United Capital Management's interest in receiving the aforementioned services/benefits that these custodians provide to United Capital Management rather than based on the client's interest in receiving the best value in custody services and most favorable execution of transactions. United Capital Management examined this conflict of interest when it chose to recommend SA Stone, Fidelity (NATC), and TD Ameritrade and has determined that recommending these custodians is in the clients' best interests.

SA Stone, Fidelity, and TD Ameritrade, Inc. do not make client brokerage commissions generated by client transactions available for United Capital Management's use.

United Capital Management does not direct client transactions to a particular broker-dealer in return for soft dollar benefits.

## **Prime Brokerage Transactions**

In certain instances, it may be beneficial to the client and to United Capital to participate in a prime brokerage arrangement. A prime brokerage arrangement permits trades to be executed by another brokerage firm ("Executing Broker") while the client's brokerage firm ("Prime Broker") provides custody, trade clearance, and settlement services. The Prime Broker generally does not charge fees for maintaining custody of the client's assets, but receives a "trade away" fee, paid by the client, for each order that United Capital enters with an Executing Broker. The Executing Broker also receives a commission on each transaction.

## **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. UCMK does not allow this process.

## **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, Fidelity (NATC), 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 IAR 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 IAR for your accounts are generally effected independently, unless your IAR 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 IAR when he or she believe such action may prove advantageous to clients. When your IAR 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 IAR determines to aggregate client orders for the purchase or sale of securities, including securities in which your IAR 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 IAR do not receive any additional compensation or remuneration as a result of aggregation.

## **Item 13 – Review of Accounts**

### **Account Reviews and Reviewers**

Accounts subject to our asset management services are reviewed on a quarterly basis. Your IAR 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. Supervisors review accounts no less than annually.

Your accounts subject to our asset management services are reviewed by your IAR to determine 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 IAR will generally contact you at least annually, or on a schedule agreed upon by you and your IAR, to discuss changes in your account as well as any changes in your goals, investment objectives, and personal and financial situation. However, it is your responsibility as a client to notify your IAR of any changes in your status, i.e. health, winning the lottery, marital status, etc.

## **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. These reports will originate from the entity holding your assets, referred to as the “Custodian” of your assets. They do not come from nor originate from UCMK. **Please carefully review** these statements when they arrive or when you check them online. Also check the “adviser compensation” in your report against the assets you hold to be sure that they are accurate. **The Custodian is not responsible for checking the accuracy of the adviser compensation fee calculation.** 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 IAR against the accounts statements delivered from the qualified custodian.

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

### **Other Compensation**

Your IAR, 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 IAR will 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 IAR 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 IAR 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 IAR in their individual capacity as registered representative of SA Stone Wealth Management, Inc. It is UCMK’s policy to avoid using funds that pay a 12b-1 fee when possible and to review for such funds and make alternate recommendations.

Your IAR 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 IAR when recommending insurance products to you.

While your IAR endeavors at all times 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 IAR when making recommendations. In addition to the economic benefits, including assistance and services, detailed above, your IAR’s broker-dealer, SA Stone Wealth Management, Inc., may enter into specific arrangement with product sponsors and other third parties. Your IAR 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 IAR 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 IAR 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 IAR.

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 bank 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 more information, please refer to the "Statements and Reports" section within Item 13 of this brochure.

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 IAR) 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 IAR. When you have questions about your account statements, you are encouraged to contact United Capital Management and/or 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.

You may 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 \$1,200 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

### **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 with whom United Capital Management has entered into agreements with, such as the client's qualified custodian and SA Stone Wealth Management, Inc. ("StoneX"), a broker-dealer under which certain Investment Adviser Representatives of United Capital Management provide brokerage services in their separate capacities as Registered Representatives. 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. Aside from this, 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.

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