

## INTRODUCTION: USA FINANCIAL EXCHANGE CORPORATION

USA Financial Exchange Corporation (Exchange) is an investment adviser registered with the Securities and Exchange Commission. We feel it is important that retail investors understand how advisory and brokerage services and fees differ so you can determine which account is right for you. There are free and simple tools available to research firms and financial professionals at [www.investor.gov/CRS](http://www.investor.gov/CRS) which also provides educational materials about investment advisers, broker-dealers, and investing.

### What investment services and advice can you provide me?

As an SEC registered investment adviser, Exchange provides investors access to a variety of investment options on a platform that offers flexible choices through their independent registered investment adviser ("RIA"). We do not have retail investors; but offer operational support services, business support services (such as technology and marketing), and a turnkey asset management program to independent RIAs for use with their retail investors. We do not provide investment advice directly to retail investors. We do not review or supervise your RIA's investment recommendations. In all cases, your independent RIA is responsible for managing and monitoring the asset managers selected on Exchange's platform. Your financial advisor is responsible for providing you with the necessary disclosure documents, including each chosen subadviser's ADV Disclosure Brochure. All subadvisers' ADV Disclosure Brochures can be found at [www.usafinancialexchange.com/adv](http://www.usafinancialexchange.com/adv).

The investment options available on Exchange's platform are managed by third party "subadvisers," with whom Exchange has sub-advisory agreements. Exchange performs due-diligence reviews on subadvisers to ensure they adhere to established goals and standards, initially and periodically. Exchange's investment committee periodically reviews manager performance, as well, to ensure fit and relevance. Many of the subadvisers create investment models or model portfolios where the subadviser constructs an asset allocation and selects the underlying investments for each portfolio. From time to time, we may replace existing model portfolios or their subadvisers or hire new subadvisers to create model portfolios. We do not guarantee the continuous availability of any subadviser or model portfolio.

For additional information please see our website at [usafinancialexchange.com/reg-bi](http://usafinancialexchange.com/reg-bi) or our Form ADV Part 2A ("Brochure"), specifically Items 4-7.

### Conversation Starters - Ask your financial professional:

- Given my financial situation, should I choose an investment advisory service? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?

### What fees will I pay?

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

The overall fee you pay for maintaining an account with Exchange has four components: Platform Fee, Strategy Fee, Custody Fee, and Advisory Fee. These four components combined equal the total fee you will pay. Our fee schedule follows:

ACCOUNT SIZE	PORTFOLIO FEE	PLATFORM FEE	CUSTODY FEE	STRATEGY FEE
\$0 - \$250,000	1.2%	0.25%	\$75 Annually	<i>SSM, PSM, of AIM fee may apply. See Allocation Form.</i>
\$251,000 - \$500,000	1.1%	0.24%		
\$501,000 - \$1,000,000	1.0%	0.23%		
\$1,000,000 - \$2,000,000	0.9%	0.22%		
\$2,000,000 - \$3,000,000	0.8%	0.21%		
\$3,000,000 and up	0.8%	0.20%		

Exchange charges you a tiered Platform Fee based on the assets in your account to cover our internal costs and expenses for maintaining the Exchange platform. Subadvisers on our platform also charge a Strategy Fee that can range from depending on the strategy you select.

Our custodian, E\*TRADE Advisory Services also charges each account a \$75.00 annual custody fee. Additionally, each RIA/financial adviser will charge an advisory fee ("Advisory Fee") for the services provided to you. The Advisory Fee is assessed by your financial adviser's RIA and your financial adviser receives a portion of it. The Advisory Fee covers service provided to you by your financial adviser: investment advice, account monitoring, etc. Exchange does not receive any portion of the Advisory Fee assessed by your financial adviser. The maximum fee permitted on Exchange's platform is 2.7% plus the \$75 annual custodian fee.

For additional information please see our website at [usafinancialexchange.com/reg-bi](http://usafinancialexchange.com/reg-bi) or our Brochure, specifically Item 5.

### Conversation Starters - Ask your financial professional:

- Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

## What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.

### Examples of Ways We Make Money and Conflicts of Interest:

Primarily, we benefit from the services we provide to you because of the fees we receive from you. This compensation may vary based on different factors, such as the size of your account or the strategy you select. Some subadvisors pay us a portion of their revenue based on breakpoints. This could create a conflict as we have an incentive to recommend you invest your assets in these strategies; however, since we generally do not solicit accounts, we believe this conflict is mitigated. The more assets that are in your advisory account, the more you will pay in fees, and we may therefore have an incentive to encourage you to increase the assets your account.

USA Financial Corporation, our parent corporation, created the Advisor Legacy program that includes a component called the Advisor SHARES program. Advisor SHARES grants ownership interest to USA Financial's qualified advisers based on revenue submitted to USA Financial. We do not favor one product or product category over another – advisers earn shares based on volumes submitted across the products and services our company offers. We believe this program may be an incentive for advisers to move to USA Financial and place business with Exchange. We believe we mitigate this risk by not favoring one product over another and maintaining strict suitability reviews and standards to ensure that all transactions are in your best interest. Additionally, this is a long-term ownership program that is by no means certain; participants only receive payment upon the occurrence of certain events.

Exchange's affiliate (by common ownership), USA Financial Formulas Corporation ("USA Financial Formulas"), is one of the money managers offered through USA Financial Exchange's platform. As a result, financial advisers will have the ability to offer USA Financial Formulas as an investment option. If you are invested in USA Financial Formulas' strategies, the Strategy Fee will be paid to USA Financial Formulas, which results in additional fees to USA Financial as a whole. In addition, some RIAs and financial advisers may also have a solicitation agreement with our affiliate USA Financial Formulas under which the RIA/financial adviser is paid a fee for referring clients to Formulas. This could create a conflict as we have an incentive to recommend that you invest your assets in these strategies.

For additional information please see our website at [usafinancialexchange.com/reg-bi](http://usafinancialexchange.com/reg-bi) or our [Brochure](#), specifically Item 10.

### Conversation Starters - Ask your financial professional:

- How might your conflicts of interest affect me, and how will you address them?

## How do your financial professionals make money?

USA Financial Formulas pays solicitors and investment advisors a portion of the fees, the Portfolio Fee as referenced in our fee schedule, that it collects from your account, monthly in arrears. The solicitors and investment advisors are not our employees; they are independent contractors. Our internal employees are salaried positions and support our business operations. The financial success of the firm benefits all employees. No employee nor the firm receives commissions, gifts, or incentives for investments made in clients' accounts.

## Do you or your financial professionals have legal or disciplinary history?

Exchange has not been subject to any disciplinary events by regulators nor is it a party to any legal events that are material to client evaluation of our advisory business. You can visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for free and simple search tools to research us and financial firms and professionals who use our platform.

### Conversation Starters - Ask your financial professional:

- As a financial professional, do you have any disciplinary history? For what type of conduct?

## Additional Information

For additional information please see our website at [usafinancialexchange.com/reg-bi](http://usafinancialexchange.com/reg-bi) or our [Brochure](#), and any individual brochure supplement your representative provides you.

Your primary contact regarding your USA Financial Exchange account is your investment adviser representative. If you have any questions or want another copy of this Client Relationship Summary. You may reach our Chief Compliance Officer, Andrea McGrew, at (888)444-0125 or email at [regbi@usafinancial.com](mailto:regbi@usafinancial.com) and we will promptly address your concerns.

### Conversation Starters - Ask your financial professional:

- Who is my primary contact person? Is he or she a representative of an investment adviser or broker-dealer? Who can I talk to if I have concerns about how this person is treating me?