

## Client Disclosures and Important Information

### Business Continuity Plans

U.S. Capital Advisors LLC, on behalf of itself and its subsidiaries, USCA Securities LLC, USCA Asset Management LLC and USCA Municipal Advisors LLC (collectively "USCA" or "the firm") and the independent RIA affiliate, U.S. Capital Wealth Advisors, LLC ("USCWA"), have developed a joint Business Continuity Plan addressing how we will respond to events that significantly disrupt our businesses. Since the timing and impact of disasters and disruptions is unpredictable, we will have to be flexible in responding to actual events as they occur. With that in mind, we are providing you with this information on our business continuity plan.

### Contacting Us

If after a significant business disruption you cannot contact your Financial Advisor or the office as you usually do by using the direct phone numbers provided by your Financial Advisor or Financial Advisor Team. You can also contact the Houston branch at 713-366-0500, the Dallas branch at 972-338-4204, the Austin branch at 512-813-1100, the Georgetown branch at 512-864-0721 or the New York and Andover branches at 512-342-0202 or you should call our alternative number 713-824-7267 or go to our websites at [www.uscapitaladvisorsllc.com](http://www.uscapitaladvisorsllc.com); [www.uscallc.com](http://www.uscallc.com); or [www.uscwealth.com](http://www.uscwealth.com). If you cannot access the firm through any of these means, you may contact your account custodian, National Financial Services ("NFS") or Schwab Advisor Services, a division of Charles Schwab & Co., Inc., ("Schwab"). To contact the account custodian for assistance in the unlikely event that you are unable to contact us and need assistance accessing your accounts, call NFS Customer Service at (800) 801-9942 and Schwab customer Service at 1-800-515-2157.

### Our Business Continuity Plan

USCA and USCWA plan to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the firms' books and records, and allowing our clients to transact business. Our business continuity plan is designed to permit our firms to resume operations as quickly as possible, given the scope and severity of the significant business disruption ("SBD"). Our business continuity plans address data backup and recovery; all mission critical systems; financial and operational assessments; alternative physical location of employees; critical supplier, contractor, bank and counter-party impact; regulatory reporting; and assuring our clients prompt access to their funds and securities if we are unable to continue our business. Both NFS and Schwab back up important client records in a geographically separate area. We have been advised by NFS and Schwab that in the event of a SBD affecting their firms, their objectives are to restore their own operations and be able to complete existing transactions and accept new transactions and payments within the same business day. However, orders and requests for funds and securities could be delayed during a period of SBD.

### Varying Disruptions

Significant business disruptions can vary in their scope and severity. In a disruption to only our firms or a building housing our firms, we will transfer operations to a local site when needed and expect to recover and fully resume business within one to two business days or less. In a disruption affecting our business district, city, or region, we will transfer operations to a site outside of the affected area and recover and resume business within one to two business days or less. In either situation, we plan to continue in business, transfer operations to Schwab or NFS if necessary, and notify you through our websites [www.uscapitaladvisorsllc.com](http://www.uscapitaladvisorsllc.com), [www.uscallc.com](http://www.uscallc.com), or [www.uscwealth.com](http://www.uscwealth.com) or our client emergency number, 713-824-7267 on how to contact us and obtain necessary services. If the SBD is so severe that it prevents us from remaining in business, we will assure our clients prompt access to their funds and securities.

**For more information** - If you have questions about our business continuity planning, you can contact us at (713) 366-0500.

### Important Client Information

#### Clearing and Custody Agreements

U.S. Capital Advisors LLC and its subsidiaries USCA Securities LLC (collectively "USCA") and independent affiliate U.S. Capital Wealth Advisors, LLC ("USCWA") hold client funds and securities in accounts maintained by NFS or Schwab which also perform trade executions and account services such as providing statements, confirmations, check writing, disbursements and related

account services. USCA has a clearing relationship with NFS and USCWA has a custody and related client services agreement with Schwab and NFS. USCA and USCWA may enter into clearing and custody agreements with similar firms. Clients will be informed and consent to any custodial firm handling the client's accounts.

### **Check Acceptance Policy**

All assets, including funds and securities, in client accounts are custodied by either NFS or Schwab. All checks for deposit into client accounts must be made out to NFS or NFS, if the account custodian is NFS, or to Charles Schwab if the account custodian is Schwab. Checks written out to Fidelity, USCA, USCA Securities LLC, U.S. Capital Advisors LLC, U.S. Capital Wealth Advisors, LLC, USCWA or the like, will be returned to the client.

### **Depositing Checks**

For all client accounts custodied by Schwab, checks should be directly deposited by the client into their account by either sending the check to Schwab directly or making an in-person deposit at a Schwab office. Any client checks that are provided to USCA or USCWA for deposit into client accounts that are custodied by Schwab will be forwarded to Schwab by overnight mail and will not be recorded or reflected in the client's account until received and processed by Schwab. Checks provided to USCA for deposit into client accounts custodied by NFS will be converted into an electronic fund transfer. By sending completed, signed checks to USCA for deposit into the client's NFS based account, clients authorize USCA to copy the check and use the account information from the check to make an electronic funds transfer from the client account for the same amount as the check. If the electronic funds transfer cannot be processed for technical reasons, USCA may choose to process by sending it overnight to NFS and not as an electronic funds transfer. Please note that an electronic funds transfer from a bank account will usually occur within 24 hours, which is faster than a mailed check is normally processed. Checks that are converted to electronic funds transfers will not be returned to the client by the client's bank. For security reasons we will destroy clients' original checks that are converted into electronic funds transfers; however, we will keep an electronic copy of the check for recordkeeping purposes consistent with the our document retention policy and SEC and FINRA regulations.

### **How You Will Be Charged**

In USCA brokerage accounts clients will be charged on a per service basis. Transaction based charges will generally be in the form of commissions charged for the purchase or sale of equities and fixed income products or sales loads, commissions or concessions included as part of the purchase price of certain investment products, such as mutual funds, alternative investment funds, unit investment trusts, insurance and annuities. In USCWA advisory accounts clients will be charged an asset-based fee on a quarterly basis in advance. In general, the fee will be based on the amount of eligible assets in the account, regardless of the transactions in the account. USCWA clients will also be charged transaction fees that NFS or Schwab charge related to activity in their advisory accounts. In addition, USCA and USCWA clients will be charged fees for other services such as interest on margin and loan accounts and account service fees including but not limited to annual account fees and charges for specific products and services such as electronic bill pay and debit and credit card programs. For more information about specific charges and fees please contact your Financial Advisor or a member of Management. You may also refer to the Fee Disclosure document posted at <https://www.uscallc.com/legal-and-compliance>.

### **Asset Protection**

U.S. Capital Advisors LLC and its subsidiary, USCA Securities LLC and its independent affiliate USCWA have protections in place to help safeguard your assets. Brokerage services that are provided through USCA Securities LLC are subject to FINRA's regulations and oversight. USCA Securities LLC is also a member of the Securities Investor Protection Corporation ("SIPC"). Investment advisory services are provided through U.S. Capital Wealth Advisors, LLC which is a Registered Investment Advisor with, and subject to the regulations and oversight of, the Securities Exchange Commission.

### **Custody of Client Assets**

As part of our effort to provide you with quality service, USCA Securities LLC has a fully disclosed clearing relationship with NFS, to provide trade execution, custody and other related services for your USCA brokerage accounts as well as USCWA advisory accounts where USCA Securities LLC acts as the introducing broker to NFS. USCWA also offers advisory accounts that are custodied with Schwab and NFS (through Fidelity Brokerage Services). In connection with your USCA brokerage and USCWA advisory accounts, NFS and/or Schwab, at the direction of your USCA or USCWA Financial Advisor is responsible for:

- The execution, clearance and settlement of securities transactions.
- Preparing and sending periodic statements of your account and transaction confirmations.
- The custody (or safekeeping), receipt, and delivery of funds and securities.

### **Regulatory Oversight**

As registered broker-dealers, both custodians NFS and Schwab are subject to the rules and regulations of the Securities and

Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), and other exchanges of which NFS and Schwab are members, including the Municipal Securities Rulemaking Board (MSRB). These regulatory organizations each have certain rules and regulations that NFS and Schwab must follow to safeguard your assets, including:

- Protecting client assets that are fully paid for by segregating them and ensuring they are not used for any other purpose.
- Keeping accurate records of your assets held at NFS or Schwab.
- Maintaining net capital at required levels.

In compliance with these rules, NFS and Schwab have their financial information audited on an annual basis and are each subject to regulatory oversight examinations.

### **MSRB Investor Information**

USCA Securities LLC, Fidelity and Schwab brokerage are each registered with the Municipal Securities Rulemaking Board (MSRB) and the U.S. Securities and Exchange Commission. The website address for the MSRB is [www.msrb.org](http://www.msrb.org). An investor brochure that describes the protections provided by the MSRB's rules and how to file a complaint with an appropriate regulatory authority can be found on the MSRB's website at <https://msrb.org/msrb-investor-protections-municipal-securities-marketpdf>.

### **SIPC Protection**

Assets in accounts custodied by NFS or Schwab are protected in accordance with SIPC, the Securities Investor Protection Corporation, up to \$500,000. The \$500,000 total amount of SIPC protection is inclusive of up to \$250,000 protection for claims for cash, subject to periodic adjustments for inflation in accordance with terms of the SIPC statute and approval by SIPC's Board of Directors. NFS and Schwab have also each arranged for coverage above these limits. Neither coverage protects against a decline in the market value of securities, nor does either coverage extend to certain securities that are considered ineligible for coverage. For more details on SIPC, or to request a SIPC brochure, visit [www.sipc.org](http://www.sipc.org) or call 1-202-371-8300.

### **Excess SIPC Protection**

In addition to SIPC protection, NFS and Schwab provide brokerage accounts with additional "excess of SIPC" coverage. The excess of SIPC coverage would be used only when SIPC coverage is exhausted. Like SIPC protection, excess of SIPC protection does not cover investment losses in customer accounts. It also does not cover other claims for losses incurred while broker-dealers remain in business. Total aggregate excess of SIPC coverage available through NFS' excess of SIPC policy is \$1 billion and Schwab's aggregate is \$600 million. Within NFS's excess of SIPC coverage, there is no per-customer dollar limit on coverage of securities, but there is a per-customer limit of \$1.9 million on coverage of cash awaiting investment. This is the maximum excess of SIPC protection currently available in the brokerage industry. Schwab's excess SIPC coverage has a per customer limit of \$150 million, including cash of up to \$1,150,000.

If you have any additional questions about NFS or Schwab, please go to [www.mybrokerageinfo.com](http://www.mybrokerageinfo.com) or feel free to contact your Financial Advisor or a Manager at (713) 366-0500.

### **Option to name a Trusted Contact and Temporary Holds**

Clients may name a trusted contact for their accounts. By naming a trusted contact, you authorize USCA and USCWA to communicate with that person in the interest of protecting your account assets. We may communicate with your trusted contact when there is reasonable suspicion of:

Financial exploitation. If we become concerned you are, or may become, a victim of fraud or exploitation, whether through deception or intimidation.

Diminished capacity. If we become concerned you could be experiencing a mental or physical impairment -- such as Alzheimer's disease or dementia -- that has rendered you unable to protect your own interests.

A trusted contact should be a person you trust to provide an informed and objective assessment about your whereabouts, well-being, and health status. We may need to disclose certain account information to your trusted contact, but we only do so when relevant to verify this information. Although you decide who to name as your trusted contact, we suggest someone who is not already authorized to transact on your account.

USCA and USCWA are permitted to place a temporary hold on account disbursements on reasonable belief of exploitation. If you have named a Trusted Contact we would be required to inform your Trusted Contact of any such holds.

To name or update your trusted contact speak with your Financial Advisor.

## Margin Disclosure Document

USCA and USCWA are furnishing this document to you to provide some basic facts about purchasing securities on margin, and to alert you to the risks involved with trading securities in a margin account. Before trading stocks in a margin account, you should carefully review the margin agreement provided by your firm. Consult your firm regarding any questions or concerns you may have with your margin accounts.

When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from your brokerage firm. If you choose to borrow funds from your firm, you will open a margin account with the firm. The securities purchased are the firm's collateral for the loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan, and, as a result, the firm can take action, such as issue a margin call and/or sell securities in your account, in order to maintain the required equity in the account. It is important that you fully understand the risks involved in trading securities on margin. These risks include the following:

**You can lose more funds than you deposit in the margin account.** A decline in the value of securities that are purchased on margin may require you to provide additional funds to the firm that has made the loan to avoid the forced sale of those securities or other securities in your account.

**The firm can force the sale of securities in your account.** If the equity in your account falls below the maintenance margin requirements under the law, or the firm's higher "house" requirements, the firm can sell the securities in your account to cover the margin deficiency. You also will be responsible for any shortfall in the account after such a sale.

**The firm can sell your securities without contacting you.** Some investors mistakenly believe that a firm must contact them for a margin call to be valid, and that the firm cannot liquidate securities in their accounts to meet the call unless the firm has contacted them first. This is not the case. Most firms will attempt to notify their customers of margin calls, but they are not required to do so. However, even if a firm has contacted a customer and provided a specific date by which the customer can meet a margin call, the firm can still take necessary steps to protect its financial interests, including immediately selling the securities without notice to the customer.

**You are not entitled to choose which security in your margin account is liquidated or sold to meet a margin call.** Because the securities are collateral for the margin loan, the firm has the right to decide which security to sell in order to protect its interests.

**The firm can increase its "house" maintenance margin requirements at any time and is not required to provide you with advance written notice.** These changes in firm policy often take effect immediately and may result in the issuance of a maintenance margin call. Your failure to satisfy the call may cause the member to liquidate or sell securities in your account.

**You are not entitled to an extension of time on a margin call.** While an extension of time to meet margin requirements may be available to customers under certain conditions, a customer does not have a right to the extension.

## Order Flow Practices (SEC Rule 607 Disclosure)

USCA Securities LLC is a customer of National Financial Services (NFS) where NFS provides certain securities clearance services. USCA may receive remuneration for directing orders to a particular broker or dealer and may route orders to market centers, national securities exchanges, alternative trading systems, electronic communications networks, and broker-dealers that may offer credits for certain types of orders, while assessing fees for other types of orders. Credits offered by a market center may exceed the charges assessed, such that a market center may make a payment to USCA in relation to the orders. Such remuneration, if any, is considered compensation to USCA.