



# United Brokerage Services, Inc

Form CRS Customer Relationship Summary - June 30, 2020

## Introduction

United Brokerage Services, Inc., a subsidiary of United Bankshares, Inc. (NASDAQ UBSI), is both a broker-dealer and an investment adviser. We are registered with the Securities and Exchange Commission (SEC), members of FINRA and the Securities Investor Protection Corporation. Most of our clients are retail investors.

Brokerage fees differ from investment advisory fees, and it is important for retail investors to understand the differences.

Free and simple tools are available for you to use at [Investor.gov/CRS](http://Investor.gov/CRS), a website maintained by the SEC. These tools can provide you with educational materials about broker-dealers, investment advisers, and investing.

This relationship summary provides information that helps you make an informed decision to invest with us and will answer the following questions:

- What investment services and advice can you provide me?
- What fees will I pay?
- What are your legal obligations to me when providing recommendations as my broker-dealer, or when acting as my investment adviser?
- How else does the firm make money?
- What are the potential conflicts of interests?
- How do your financial professionals make money?
- Do you or your financial professionals have legal or disciplinary history?
- Where can I find additional information?

## Terms to know

- A **broker-dealer** is a firm that acts as an intermediary between buyers and sellers of securities for which they will usually receive a commission and may purchase or sell those securities in/out of their own account.
- An **investment adviser** is generally any person or group that provides investment advice or conducts securities analysis in exchange for a fee.
- The title Financial Advisor (FA) refers to the investment advisor who provides fiduciary services described in the CRS. A registered rep (RR), who is a broker, can have the title of FA if they are also an RIA where the advice is incidental. An RR, platform banker, or dual employee who is not an investment advisor nor will have the title Financial Advisor. RRs are limited to brokerage products to which they are licensed. This means a series 6 or series 7 RR is not able to offer the same volume of products. Please visit broker check to see FINRA licensing and state licensing.

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

**Description of Service:** United Brokerage is an introducing broker-dealer. We offer brokerage services and investment advisory services mostly to retail investors. We also offer annuities and insurance products.

### Brokerage Services

- Our brokerage services include buying and selling securities at your direction and providing you with investment recommendations, research, financial tools and planning services, and investor education from time to time or at your request. We offer mutual funds, exchange traded funds (ETFs), domestic and international equities, options, fixed income securities, certificates of deposit (CDs) and structured notes, and variable annuities.
- You may select investments, or we may recommend investments for your account, but the ultimate investment decision for your investment strategy and the purchase or sale of investments will be yours.
- We do not monitor your brokerage account.

UNITED BROKERAGE SERVICES, INC. | UNITED SQUARE | 514 MARKET STREET | PARKERSBURG, WV 26101 | 888.424.6158

United Brokerage Services, Inc., a registered broker-dealer, is a subsidiary of United Bankshares, Inc., the issuer of UBSI stock.

The investments offered through United Brokerage Services, with the exception of brokerage certificates of deposit, are not bank deposits and are not obligations of, or guaranteed by, any bank. These products are not insured or guaranteed by the FDIC. Investments are subject to risk including possible loss of principal.

- We will deliver account statements to you each quarter, electronically or in paper.
- We offer a limited selection of investments. Other firms could offer a wider range of choices, some of which might have lower costs.
- At new account opening, your agreements, terms and conditions, prospectus, and other disclosures such as Margin Agreement (if applicable), will specify the account minimums and thresholds to hold the account.

You can obtain additional information from our financial professionals about brokerage services. For detailed information about our firm or financial professionals visit <https://www.BrokerCheck.Finra.Org> or <https://www.bankwithunited.com/personal-banking/investments-retirements>.

## Investment Advisory Services

- Our advisory services include our asset allocation services using mutual funds and exchange traded funds (ETFs) and managed portfolios from third-party investment managers. Our asset allocation services, with the exception of Asset Advisor and Custom Choice are “discretionary”—meaning that buys and sells in your account are placed without asking you in advance based on your investment objectives, goals and guidelines. The third-party managers we make available to you will invest your account on a discretionary basis using mutual funds, ETFs, and other securities. Asset Advisor and Custom Choice are not discretionary programs.
- We offer non-discretionary and discretionary investment management services to you through a wrap-fee program. This is a program that provides clients with advisory and brokerage execution services for one all-inclusive fee. This means that the cost of our advisory services and the cost of executing brokerage transactions are “wrapped” into a single fee based on the value of your portfolio. Either we or the third-party manager will monitor your advisory account and investments as part of our standard services.
- We provide the following services:
  - identification and analysis of your investment objectives;
  - a managed account based on your goals and investment objectives;
  - continuous management of your accounts;
  - on-going communication with you through calls, meetings, account statements and performance updates;
  - annual review of your account.
- Investment advisory accounts have account size minimums from \$10,000 to \$150,000 depending on the type of account.

### Conversation Starter - ask your financial professional:

- Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? 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?

Fees and costs may be assessed irrespective of an investment’s return. Fees and costs could impact the total investment return over time. The basic fees and costs that you will incur for your brokerage account compared to an investment advisory service account differ. Please make sure you understand the fees and costs you are paying.

### Brokerage Services Fees

- Broker-Dealers charge transaction-based fees. Thus, the fees charged would directly correspond to the number of trades executed in the account. Furthermore, a brokerage services firm’s fee revenue is linked to client trade volume.
- With Stocks and exchange-traded funds, this fee is usually a separate commission. With other investments, such as bonds, this fee might be part of the price you pay for the investment (called a “mark-up” or “mark down”). With mutual funds, this fee (typically called a “load”) reduces the volume of your investments.
- Our fees vary and are negotiable. The amount you pay will depend upon how much you buy or sell and type of investment. We may charge you additional fees, such as custodian fee, account maintenance fees, account inactivity fees, and account termination fees.
- You may select investments, or we may make recommendations for your account. However, ultimately the final decision will be yours to make in reference to your investment strategy and whether to hold, purchase, or sale the investment.
- From a cost perspective, if you do not plan to trade often but rather buy and hold this might be the best type of account for you.

## Investment Advisory Services

Investment advisers have ongoing asset-based fees, fixed fees, wrap fee program fees, or other direct fee arrangements. The principal fee for investment advisory services will align with the type of fee(s) that are reported on the Form ADV Part IA, which is available on <https://www.IARD.com> or by calling 1-888-424-6158 for a free copy.

- We offer a wrap fee program. The fee to add money managers will include most transaction costs and fees to the clearing firm/broker-dealer that has custody of the assets, and/or discretion. As a result, wrap fees are typically higher than a standard asset-based advisory fee. Alternatively, money managers may charge their costs and fees separately from your account. The asset-based fee reduces the value of your account and will be deducted from it on a quarterly basis.
- Our fees vary and are negotiable. The amount you pay will depend, for example, on the service you receive and the amount of assets in your account.
- In such arrangements, the higher the market value of the allowable assets, the higher the fee that will be assessed. This is due to the fact that the assessed fees represent a certain percentage of the market value of the allowable assets in the account. Thus, there is an incentive for the investment advisor to increase or grow the assets in his or her account.
- An asset-based fee may cost more than a transaction-based fee, but you may prefer an asset-based fee if you want continuing advice or want someone to make investment decisions for you. You may like this type of an arrangement if you prefer the certainty of a quarterly fee regardless of the number transactions you have.
- You may also pay miscellaneous fees that your account's custodian may charge, including wire fees, transfer fees, handling fees and other fees, as well as fees and expenses that are included in the expense ratios of certain of your investments, including in mutual funds, ETFs, and separately managed accounts (SMA's).

## Other Fees and Costs

- For **advisory services**, you will pay an asset-based fee — an on-going fee at the beginning of each quarter based on the value of the cash and investments in your advisory account.
- The principal fees and costs are the "wrap-fee" for the program you select. These fees are "asset-based," meaning that the fee is calculated as a percentage of the assets invested according to the fee schedule in your advisory agreement with us. This means that the more assets you invest in your account, the more you will pay in fees, and therefore **we have an incentive to encourage you to increase your advisory account assets.**
- A wrap advisory fee includes most transaction costs and fees paid to a broker-dealer or Wells Fargo Clearing Services, LLC that has custody of your assets, and therefore is typically higher than a typical asset-based advisory fee that does not include transaction costs and fees. Our clients typically pay the advisory fee a quarter in advance. Fee adjustments will be made for partial withdrawals and deposits made in between the quarterly fee cycle.
- You may also pay miscellaneous fees that your account's custodian may charge, including wire fees, transfer fees, handling fees and other fees, as well as fees and expenses that are included in the expense ratios of certain of your investments, including in mutual funds, ETFs, and separately managed accounts (SMA's).
- Our fees vary and are negotiable. The amount you pay will depend, for example, on the services you receive and the amount of assets in your account.
- An advisory agreement can be cancelled at any time. The advisory fee will be prorated and refunded based on the number of days in effect during such quarter of the termination. No fee adjustments will be made for partial withdrawals or for account appreciation or depreciation within a billing period. In the event of withdrawal of all or substantially all of the assets from the account or the termination of the account, customary commission, fees and other expenses associated with liquidating or transferring the account can be charged to the client and deducted from the final payment. You may incur a Termination fee.

### Conversation Starter - 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?

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

### Standard of Conduct

We are a broker-dealer or investment advisor with a standard of conduct.

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

**Examples of Ways We Make Money that pose potential Conflicts of Interest** are Third-Party Payments and Revenue Sharing Agreements. Third-Party payments would be compensation we receive from third parties when we recommend or sell certain investments to you. Revenue Sharing occurs when the manager or sponsor of an investment or another third party (such as an intermediary) shares with us that they earn on those investments.

The more trades that occur in a Brokerage Account the more money a Broker makes. If you plan on trading regularly, it might be in your Best Interest to open an Advisory Account.

The more assets there are in a retail investor's advisory account, the more the investor will pay in fees, and the firm may therefore have an incentive to encourage the retail investor to increase the assets in his or her account.

#### Conversation Starter - 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?

On the brokerage side, you pay a commission on every transaction you execute based on the value of the transaction and the type of investment that you buy or sell. A portion of this commission is paid to the adviser. In addition, financial advisors may receive ongoing compensation from product sponsors, including mutual fund and annuity companies. This compensation (commonly known as trails, service fees or Rule 12b-1 fees in the case of mutual funds) is typically paid from the assets of the investment product under a distribution or servicing arrangement and is calculated as an annual percentage of invested assets. Our advisors have a financial incentive to encourage you to execute more transactions in higher commission products to generate more fees for themselves.

On the advisory side, we receive an asset-based based on a percentage of the amount of assets you invest with us and the investment program that you select. The exact amount of the percentage fee can be negotiated with your financial advisor and depends on the investment program that you select. This fee is charged monthly in advance. Our advisors do not receive any trailing compensation on the advisory side. Our advisors have an incentive to encourage you to increase the size of your account and to choose more expensive investment programs to generate more fees.

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

Yes. Visit [investor.gov/CRS](http://investor.gov/CRS) for a free and simple search tool to research our firm and your financial professional or visit <https://www.brokercheck.finra.org/> a free tool to research the background and experience of financial brokers, advisers and firms.

#### Conversation Starter - ask your financial professional:

- As a financial professional, do you have any disciplinary history? For what type of conduct?
- Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Whom can I talk to if I have concerns about how this person is treating me?

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### Where can I find additional information?

You can always ask your financial advisor for more information, contact our firm principal by phone, and request a copy of this [relationship summary](#) or [Regulation BI Disclosure](#) at 888.424.6158.