

EVERGREEN CAPITAL MANAGEMENT

INVESTMENT MANAGEMENT

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This brochure provides information about the qualifications and business practices of Evergreen Capital Management. If you have any questions about the contents of this brochure, please contact us at 801-266-4204. 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 Evergreen Capital Management is available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

John Robertson has assumed the role of “Advisory Director” at Max Capital Corporation. Mr. Robertson does not receive any compensation or material benefits from this role.

The ADV 2 for Evergreen Capital Management was last updated on March 31, 2008.

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Item 4: Advisory Business

Evergreen Capital Management (“ECM”) is an investment management firm established in 1996. John Robertson is the president and 100% principal owner of ECM.

ECM provides investment supervisory services. These services are performed by obtaining a limited power of attorney over an account, allowing authority to trade only (never to withdraw funds).

Item 5: Fees and Compensation

There are four fee schedules offered to clients:

- For “qualified investors” with a single managed account of over \$10 million in value, clients pay only a 10% performance fee (10% of all gains), conditional on a minimum payment of at least 1% of assets under management. This fee is negotiable.
- For “qualified investors” without a single managed account over \$10 million, clients pay a fee of 1% of assets under management and a 10% performance fee (10% of all gains). This fee is negotiable.
- For “non-qualified” investors, clients pay 1% of assets under management. This fee is negotiable.
- For clients participating in ECM’s “mutual fund strategy,” clients pay a 1% annual management fee which is negotiable.

Clients pay their fees by writing a check to ECM. Compensation is paid after services are provided, creating no situation where a refund would be necessary. When an individual first becomes a client, they are notified that they may terminate the relationship at any time, for any reason. ECM does not enter into written advisory agreements, but does provide an introductory letter which verifies the fee schedule and other aspects of the client/adviser relationship.

Item 6: Performance-Based Fees and Side-by-Side Management

As outlined in Item 5, ECM charges a performance fee to qualified investors.

Item 7: Types of Clients

ECM provides investment supervisory services to Individual High Net Worth clients using a separately-managed account structure. ECM has an account minimum of \$500,000, although exceptions to the minimum can be made.

Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss

Evergreen Capital Management, first and foremost, has a strict value investment philosophy combined with a three to five year investment horizon. Our investment decisions are based on fundamental analysis of a company’s business model and a

conservative valuation analysis. When considering attractive investments, we pay very close attention to valuation. It is our belief that the price we pay for a company is as important as the attractiveness of the underlying business. Because we are valuation sensitive, our holding period often ends up being considerably less than three to five years due to the volatile nature of valuations in the equity markets.

ECM also employs options (both “Calls” and “Puts”) to increase portfolio returns as well as reduce the volatility in our managed portfolios. Our options strategy, in combination with our long investments, is strictly based on our valuation analysis of potential investment opportunities. Due to the risk inherent in such a strategy, we never execute naked call options; With respect to call options, we only employ a covered call option strategy with an underlying long security. We rarely, if ever, purchase options; we are primarily sellers of options based on a comprehensive valuation analysis. While the covered call option strategy may limit our potential returns in the underlying long security, we believe the option premium received more than compensates for the limited upside in the underlying security. We also sell Put options when an attractive investment opportunity, based on a fundamental analysis, is unattractively priced. The sale of a Put option allows us to create a contingent liability to purchase the attractive investment at a pre-determined, lower price (determined by our strict valuation analysis) at a later date (within six to nine months). Our strategy of selling Put options and receiving the option premium allows us to generate incremental investment returns from additional investment opportunities that are currently at prices that exceed our valuation requirements, thereby greatly increasing the number of investment opportunities available in a richly priced equity market.

Item 9: Disciplinary Information

We have had no disciplinary actions taken against us since the firm’s inception by any domestic or foreign court; the SEC, or any other federal or state regulatory agency.

Item 10: Other Financial Industry Activities and Affiliations

John Robertson serves as an Advisory Director of Max Capital Corporation, a state-registered investment advisor. Mr. Robertson does not receive any compensation or material benefits from his role at Max Capital Corporation.

Item 11: Code of Ethics, Participation or Interest in *Client* Transactions and Personal Trading

ECM has adopted a Code of Ethics in accordance with rule 204A-1 of the Investment Advisors Act of 1940. ECM’s Code of Ethics outlines the firm’s commitment to the highest level of honesty, integrity, and ethics. It also states the ECM will not participate in any activity that violates securities laws. A copy of the Code of Ethics will be provided to clients and potential clients upon request.

ECM officers and employees may purchase the same securities in their personal accounts as is held in client portfolios; however, each officer and employee must receive approval from the Chief Compliance Officer (John Robertson) prior to placing trades in personal accounts.

Item 12: Brokerage Practices

ECM suggests new clients use E*Trade Financial (“E*Trade”). Through experience, E*Trade’s primary benefits include low transaction costs and superior execution. In addition, E*Trade has provided ECM with excellent customer service through account executives assigned to ECM.

There are no conflicts of interest that result from a new client selecting (or not selecting) E*Trade as their brokerage firm. ECM does not receive research or other products or services of any kind other than execution from E*Trade.

ECM does not participate in client referral programs with any broker-dealer.

Item 13: Review of Accounts

All ECM accounts are reviewed by both the President and the Analyst (the “reviewers”). ECM conducts both monthly and annual reviews of client accounts. On a monthly basis, the hard copy account statement is reviewed by the Analyst, and the online account history is reviewed by either the President or the Analyst. On an annual basis, a review is conducted jointly by the President and the Analyst of all hard copy statements for the past year. There is no differentiation in “levels” of the monthly and annual review; both are considered highly detailed reviews.

Item 14: Client Referrals and Other Compensation

We do not compensate any person who is not one of our employees for client referrals. Nor does anyone who is not a client provide us with an economic benefit for providing investment advice or other advisory services to our clients.

Item 15: Custody

Not applicable. Evergreen Capital Management does not take custody of any client assets.

Item 16: Investment Discretion

Evergreen Capital Management accepts discretionary authority to manage brokerage accounts on behalf of clients. To assume this authority, clients sign a “Limited Trading Authorization” or similar document required by E*Trade Securities.

Item 17: Voting Client Securities

Evergreen Capital Management does not vote proxies for client securities.

Item 18: Financial Information

This item is not applicable.

Item 19: Requirements for State Registered Advisers

We are not registered with, nor are we required to register with, any state securities authorities as an investment adviser.