

**ITEM 1      COVER PAGE**

**Firm Brochure  
(Part 2A of Form ADV)**

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This brochure provides information about the qualifications and business practices of the Everhart Financial Group, Inc. doing business as Everhart Advisors. If you have any questions about the contents of this brochure, please contact us at telephone number 614-717-9705 or our email address: [mail@everhartadvisors.com](mailto:mail@everhartadvisors.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Everhart Advisors also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You may search the site for registered investment advisors by using an identifying number known as a CRD Number. The CRD Number for Everhart Advisors is CRD No. 107091.

Please recognize that the language stated in this document as “registered investment advisor” or “registered” does not imply or guarantee that a registered advisor has achieved a certain level of skill, competency, sophistication, expertise, or training in providing advisory services to clients.

**March 31, 2015**

## **ITEM 2 MATERIAL CHANGES**

This is the Annual updating Amendment to the Company's brochure (Form ADV, Part 2A) filed March 2014 for fiscal year ending December 31, 2013, and prepared by Everhart Advisors. Any and all changes made herein that are not identified below are either typographical or grammatical in nature. The following items have been amended: Item 4 – Investment Advisory Business – the Company's Investment Advisor Representatives are now dually registered as Registered Representatives of Cambridge Investment Research, Inc., an unaffiliated broker-dealer. Also, the Company's Assets Under Management have been updated. Item 10 – Other Financial Industry Activities and Affiliations and Item 12 – Brokerage Practices have been revised to reflect that the Company may recommend Charles Schwab ("Schwab") to clear its securities transactions on a fully disclosed basis through Charles Schwab Clearing Services or Cambridge Investment Research, Inc. ("CIR") to clear its securities transactions on a fully disclosed basis through Pershing, LLC ("Pershing"). Schwab and Pershing have custody of the Company's clients' funds and assets.

Within 120 days after the Company's fiscal year end, the Company either sends its clients an offer to receive a copy of the Brochure at no charge or if there have been material changes, a summary of any material changes or a copy of the Company's Brochure.

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## **ITEM 4      ADVISORY BUSINESS**

### **A. Description of the Advisory Business**

Everhart Financial Group, Inc. d/b/a Everhart Advisors (“Everhart” or the “Company”) is an Ohio corporation and was formed as a Registered Investment Advisor in August 1995. The Company’s President and principal owner is R. “Scott” Everhart. The Company’s other owners are Matthew Romeo, Chief Compliance Officer and owner; Brian Hanna, owner; and Francesco “Frank” Ciotola, owner. All of these individuals are Investment Advisor Representatives (“IARs”) of the Company.

The Company files its Annual updating Amendments with the Securities and Exchange Commission (“SEC”), as well as any other-than-annual amendments, and they provide notice filings to all state authorities in which the Company is registered to conduct business.

Everhart Advisors’ Investment Advisor Representatives (“IARs”) provide investment advisory services to the Company’s clients. The Company’s IARs are appropriately licensed, qualified, and authorized to provide investment advisory services on behalf of Everhart Advisors in states where the Company and the individual IARs conduct business.

### **B. Types of Advisory Services**

Everhart Advisors’ provide the following advisory services to its clients: Financial Planning, Portfolio Management Services for individuals, businesses, and institutional clients, Pension Consulting Services, and Educational Seminars and Workshops. Portfolio Management Services are provided on a non-discretionary basis. The Company’s Investment Advisor Representatives are also Registered Representatives (“RRs”) of Cambridge Investment Research, Inc. (“CIR”), an unaffiliated broker-dealer.

### **Client Tailored Services and Client Imposed Restrictions**

#### **A. Advisory Services (“Retirement Plans”)**

Everhart Advisors provides comprehensive qualified and non-qualified retirement plan consulting, investment advice, and fiduciary due diligence services, employee plan and investment education, asset allocation service, plan service provider proposals and vendor research and analysis, and plan design guidance to individuals, qualified and non-qualified retirement plan sponsors, and business entities.

## **B. Investment Advice (Plan Level)**

Everhart Advisors clients include employers that provide their employees with a retirement benefit plan. Everhart Advisors' IARs provide research and analysis with regard to investment advice and fiduciary due diligence services for the sponsors of qualified and non-qualified retirement plans. Everhart Advisors also provide research and analysis that covers the investment products of retirement plan providers. The goal of the investment due diligence process is to establish a logical, technical, and comprehensive process that is consistently employed in the selection and ongoing monitoring of funds for plan sponsors and individuals, accompanied by an investment policy statement (for plan sponsors only), that defines the process utilized to recommend the investments to plan sponsors and individuals.

Everhart Advisors provides a draft of the Investment Policy Statement for the Plan Sponsor's review. In addition, Everhart Advisors evaluates the Plan Sponsor's existing Investment Policy Statement and provides recommendations that are consistent with assisting the Plan Sponsor in meeting their fiduciary obligations, if applicable, under ERISA Section 404(c).

### **1. Employee Plan and Investment Education**

Everhart Advisors provides group employee enrollment, re-enrollment, and investment education support. Employees that are eligible for and choose to participate in the Plan are considered Plan Participants. The goal of this process is to help Plan Participants make educated and informed choices about the Plan and investment allocation under the investment education guidelines set forth by the U.S. Department of Labor. Meetings are offered on a(n) annual, semi-annual, quarterly, or as requested basis. The scope of the meetings will be group and/or individual, and will be conducted on-site and/or as data conferencing.

### **2. Plan Participant Investment Advice and/or Asset Allocation Models**

Everhart Advisors creates, monitors, adjusts (when prudent), and rebalances asset allocation models ("Models") for a Plan Sponsor's use as an investment tool provided to participants for use in assisting Plan Participants in making asset allocation decisions for their investment portfolios (i.e. between equity and fixed income). Whether the Models are used as stand-alone tools or used in conjunction with the delivery of investment advice, they are designed to have different investment objectives based on risk level. To meet these varying investment needs, participants and beneficiaries will be able to elect to direct their account balances among a range of investment options to construct diversified portfolios that reasonably span the risk/return spectrum.

The goal of the investment advice process is to assist Plan Participants in finding the asset mix which is most likely to meet their investment objectives within acceptable risk parameters. Asset class sub-types can include, among other types:

- domestic large cap value equity
- domestic large cap growth equity
- domestic mid-cap value equity
- domestic mid-cap growth equity
- domestic small cap value equity
- domestic small cap growth equity
- international equity
- core fixed income
- short term fixed income
- high-yield fixed income
- other appropriate asset classes and investments

Plan Participants and beneficiaries alone bear the risk of investment results from the options and asset allocation that they select.

### **3. 401(k) Proposal Vendor Research and Analysis**

Everhart Advisors assists Plan Sponsors with the selection of a plan provider or providers for their Plan, based on detailed research and analysis of several vendors. The vendor review process includes an evaluation of administrative, recordkeeping, compliance, and employee communications services, administrative and investment-related fees, and an investment overview that incorporates a very similar analysis to the investment due diligence process described above.

### **4. Newsletter Campaign**

Everhart Advisors' monthly employer newsletter includes industry and marketplace updates, plan design and compliance suggestions, and legislative updates.

### **5. Plan Design Guidance**

Everhart Advisors provides in-depth plan reviews that include an analysis of relevant design features, including: Age and length of service eligibility requirements; vesting; forfeitures; employer matching contributions formulas; entry and re-entry dates; and other pertinent design features.

## **6. General Plan Consulting Services**

Everhart Advisors will generally assign a relationship manager, who is responsible for responding to ongoing questions, concerns, and issues raised by the Plan Sponsor that are related to the Plan Sponsor's qualified or non-qualified retirement plan. Services include plan pricing and contract negotiation between the incumbent provider and the Plan Sponsor, recommendations of specific service and product enhancements, facilitation for the solution of service, administrative, and recordkeeping issues, plan compliance assistance and guidance, and ongoing problem solving. Everhart Advisors may provide a "help email" address, and "1-800" phone consultation assistance for Plan Participants.

## **7. Employee Retirement Income Security Act of 1974 ("ERISA") Section 404(c) Audit**

Everhart Advisors will generally provide a comprehensive checklist of the latest industry accepted standards with respect to Section 404(c) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") compliance, and will work with the Plan Sponsor to facilitate completion of the checklist. The responsible party for addressing and verifying each item will either be: the plan provider, the Plan Sponsor, or in some instances, Everhart Advisors will provide the research and analysis.

## **8. Fiduciary Role under the Employee Retirement Income Security Act of 1974 ("ERISA")**

For those services stated under this Item 4(B) "Investment Advice (Plan Level)" Everhart Advisors acknowledges that it is a fiduciary with respect to the Plan under ERISA Section 3(21)(A)(ii) and, as such, is a co-fiduciary with the trustee(s) of the Plan Sponsor's Plan solely with respect to (a) the provision of investment education of the Plan Sponsor and/or Plan Participants (depending on the specify services provided); (b) the periodic reporting on, and analysis of, the investment options available under the Plan; and (c) the provision of advice to the trustee(s) regarding the elimination or addition of investment options available under the Plan; provided, however, that the trustee(s) acknowledge and agree that the trustee(s) have the final and conclusive responsibility for the investment options selected to be available under the Plan. Everhart Advisors will not be responsible for investment decisions made by the Plan Participants with respect to the investment of their accounts.

## **9. Reports to Client**

For those services stated under Item 4 (B)(1) "Employee Plan and Investment Education," and Item 4 (B)(2) "Employee (Plan Participant) Investment Advice," based on the results of the

periodic (quarterly or semi-annual) analysis, Everhart Advisors may recommend changes to the core group of investment recommendations offered by one or more of the investment managers included in the analysis. As such, Everhart Advisors will generally provide plan fiduciaries with a periodic report that includes fund rankings in each category.

## **10. Termination of Agreement**

Plan Sponsors who wish to terminate their agreement with Everhart Advisors without penalty must notify Everhart Advisors in writing within five (5) business days of its date of execution. If services are terminated within (5) business days from the date of executing their agreement, services will be terminated without penalty. After the initial (5) business days, the Plan Sponsor may be responsible for payment of fees for the number of days services are provided by Everhart Advisors prior to receipt of the notice of termination.

### **C. Investment Advice (“Individual”)**

The client in this Item 4(C) refers to an individual seeking customized investment advice. Financial planning services will typically involve providing a variety of services, principally advisory in nature, to clients regarding the management of their financial resources based upon an analysis of their individual needs.

Everhart Advisors obtains information regarding financial resources and obligations through a lengthy interview and gathers the necessary documentation to assist in defining the client’s personal and financial goals, needs and priorities, as well as the client’s financial objectives.

Everhart Advisors analyzes the client’s information in an effort to assess client’s current situation, such as net worth, cash flow, and tax projections, among others, and also identifies certain problem areas or opportunities client may have with respect to the following, including, but not limited to:

- Capital needs
- Risk management needs and coverage
- Investments
- Taxation
- Retirement planning
- Employee benefits
- Estate planning
- Special needs (adult dependent needs, education needs, disability needs, etc.)



Everhart Advisors then develops and prepares a financial plan tailored to meet the client's goals and objectives, values, temperament and risk tolerance while working to provide projections and recommendations suited to the client.

Everhart Advisors will assist the client in implementing the recommendations discussed within the financial plan, and may coordinate contacts with other professionals, such as accountants, insurance agents and attorneys. Client should be aware that fees incurred by the client with other professionals in connection with the financial planning process do not include financial planning fees charged to client by Everhart Advisors.

In limited circumstances, some clients may only require advice on a single aspect of the management of their financial resources. For these clients, Everhart Advisors offers financial plans in a modular format and/or general consulting services that address only those specific areas of interest or concern.

Everhart Advisors also gives general recommendations on estate planning and income tax issues, and may evaluate client's life insurance policies and make recommendations when client's goals indicate more or less coverage is necessary.

#### **D. Management Services**

Charles Schwab & Co., Inc., ("Schwab") a subsidiary of Charles Schwab Corporation ("CSC") is a broker-dealer headquartered in San Francisco, California, and clears its securities transactions on a fully disclosed basis through Charles Schwab Clearing Services. Cambridge Investment Research, Inc. ("CIR"), a full-service broker-dealer located in Fairfield, Iowa is a broker-dealer and clears its securities transactions on a fully disclosed basis through Pershing. Schwab and Pershing are Custodians for Everhart Advisors clients' funds and assets. Schwab, CIR, and Pershing are members of the Financial Industry Regulatory Authority ("FINRA"), and Securities Investor Protection Corporation ("SIPC").

The Company's IARs are dually registered as Registered Representatives of Cambridge Investment Research, Inc.

#### **Wrap Fee Program**

Everhart Advisors uses an investment management program through Cambridge Investment Research, Inc. ("CIR"), a registered broker-dealer, member Financial Industry Regulatory Authority ("FINRA"), and Securities Investor Protection Corporation ("SIPC"). Everhart

Advisors utilizes a wrap fee program that is sponsored by Cambridge Investment Research, Inc. The wrap fee program is called the Cambridge Asset Allocation Platform (“CAAP”). Everhart Advisors’ IARs may recommend this wrap fee program to its advisory clients. Cambridge is the plan sponsor of the CAAP and Everhart Advisors provides portfolio management services to clients with investments in CAAP. CAAP offers Everhart Advisors’ IAR the ability to select one or more CAAP strategies using risk tolerance information provided by the client. Everhart Advisors’ IARs recommend a portfolio based on one of several asset allocation models designed to meet the individual client’s needs, investment objectives, and time horizon and risk tolerance. Portfolios are comprised of load-waived mutual funds, no-load mutual funds, sector funds, inverse index funds, institutional grade funds, leveraged index funds or exchange-traded funds. Consultants who are registered investment advisers selected by Cambridge, but not affiliated with Cambridge or Everhart Advisors, select various CAAP strategies through a comprehensive due diligence process. Consultants select Funds using a screening process that looks at various investment criteria, including risk-adjusted performance, management continuity, portfolio composition, investment style, expense structure, turnover rate, asset growth rate, asset site and various risk measurements.

Clients participating in this CAAP Wrap Fee Program recommended by Everhart should review the Wrap Fee Program Brochure fully, as well as the CAAP-related prospectus prior to investing.

Clients’ accounts are managed by the Company and its IAR on a non-discretionary basis. Charles Schwab a broker-dealer clears its securities transactions on a fully disclosed basis through Charles Schwab Clearing Services. Cambridge Investment Research, Inc. (“CIR”), a broker-dealer clears its securities transactions on a fully disclosed basis through Pershing, LLC. Schwab Clearing Services and Pershing are Custodians for Everhart Advisors clients’ funds and assets. Clients should be aware that by using Schwab, CIR, Pershing or any other firm, as recommended by Everhart Advisors, clients may pay higher account-related fees and execution charges than if the client had selected another custodian. Fees are payable quarterly in advance, and shall be calculated on either the basis of the market value of the account(s) on the last day of the previous quarter or on the average daily fair market value of the assets during each billing period, netting assets added against assets withdrawn during the period. Fees will be due on the first day of the month following execution of the agreement, and billed quarterly in advance thereafter. Annual management account fees are negotiable.

Everhart Advisors and its IARs may also provide asset allocation advice through Schwab and CIR based on the client’s individual personal and financial goals, investment objectives and risk tolerance. Dependent on the individual agreements with the program sponsors, as well as information provided by the client, Everhart Advisors will assist the client in selecting a suitable

investment portfolio and asset allocation strategy that will be used by the program sponsor to properly allocate the client's assets in the investment portfolio. Everhart Advisors may provide initial and ongoing client education concerning the asset allocation strategy selected by client, explain rebalancing guidelines utilized with the investment allocation strategy selected and meet with client periodically to discuss changes in client's investment objectives and risk tolerance. The investment portfolio will be created by the program sponsor, which typically determines the funds included in the portfolio it creates, the specific asset allocations within each portfolio, and also rebalances the portfolio periodically. The program sponsor may also change, on a periodic basis, the relative allocations among funds in the portfolio.

Everhart Advisors charges clients participating in these management services a fee based on a percentage of the client's assets subject to these services. Fees are negotiable. The IAR will discuss with the client the fees associated with their appropriate individual services to be provided. Fees charged to the client by the third-party sponsor may be shared with Everhart Advisors and the client's IAR. The third party will generally determine the minimum investment amount for client participation.

#### **E. Consultation Agreements With Other Investment Advisory Firms**

Due to Everhart Advisors' position as a subject-matter expert in the Retirement Plan arena, the Company may also enter into agreements with other investment advisory firms to provide consultation services regarding Retirement Plan clients. Everhart Advisors will be paid a mutually agreeable fixed fee for each consulting engagement. All fees will be specified in the engagement agreement executed prior to the initiation of any consultation services.

#### **F. Assets Under Management**

As of December 31, 2014, Everhart Advisors has approximately \$250,000,000 of non-discretionary assets under management and \$0.00 of discretionary assets under management.

### **ITEM 5 FEES AND COMPENSATION**

#### **A. Plan-Level Services**

For retirement plan sponsor clients, Everhart Advisors will either charge a fixed annual fee or an annual fee that is calculated as a percentage of the value of plan assets. The fee range is negotiable, and may vary according to the facts and circumstances, including the scope of services to be provided, the duration of services and the size of the client (number of employees, plan or individual assets, and other demographic factors). The annual fees will be determined

based on the ending aggregate market value of the Plan assets each quarter.

The exact amount of the fixed fee will be specified in the client's agreement with Everhart Advisors. At the Company's sole discretion, the client may be required to pay a portion of the fixed fee up front in the form of a retainer; however, at no time will we require payment of more than \$1,200 in fees more than six months in advance. Upon completion of the services, the fixed fee is considered earned by Everhart Advisors and any unpaid amount is immediately due.

If Everhart Advisors charges an annual fee based upon the value of the plan assets. Fees are negotiable based upon the actual services requested and the complexity of the participant's situation. The asset-based fees charged will range from 0 .01% to 1.5% of the Plan Assets. The asset-based fee charged to each plan will be specified in the client's agreement with Everhart Advisors. For retirement plan sponsors and participants, fees are billed in advance (at the start of the billing period) on a quarterly calendar basis and calculated based on the fair market value of the client's 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 the client's account opened at any time other than the beginning of the billing period.

Clients can elect to have the fee deducted from their account with written approval from the client or billed directly and due upon receipt of the billing notice. If clients elect to have the fee automatically deducted from an existing account, the client is required to provide the custodian with written authorization to deduct the fees from the account and authorize payment of the fees directly to Everhart Advisors. Everhart will provide the custodian with a fee notification statement.

Either party may terminate services upon providing the other party with written notice of termination. If services are terminated within five (5) 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.

Everhart Advisors does not reasonably expect to receive any other compensation, direct or indirect, for its Services. If the Company receives any other compensation for such services, Everhart 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.

## **B. Other Services**

For services provided to individuals, Everhart Advisors' fee may be based on an hourly rate, an annual retainer fee, or a percentage of assets under management.

Hourly rates range from \$200/hour to \$300/hour and are charged based on the client's agreement with Everhart Advisors.

The management fee schedule for individual accounts is as follows and varies based on the client's agreement with Everhart Advisors:

<b>Account Size</b>	<b>Maximum Fee</b>
\$0 to \$100,000	2.25%
\$100,001 to \$250,000	2.00%
\$250,001 to \$500,000	1.50%
Over \$500,001	1.00%

Fees charged by Everhart Advisors for financial planning and investment management services do not include charges imposed by product sponsors, such as maintenance and transaction fees. The client should read the product prospectus to learn more about charges and fees imposed on the client by the product sponsors. Certain account fee conditions or restrictions on the transfer into or the purchase of commissionable securities in an advisory account may be imposed by Everhart Advisors, such as specific types of commissionable security or offset of commissions earned against the advisory fee incurred by the client.

All fees paid to Everhart Advisors for advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each mutual fund's prospectus. These fees will generally include a management fee, other fund expenses and a possible distribution fee. If the fund also imposes sales charges, you may pay an initial or deferred sales charge.

If the client retains Everhart Advisors to implement the recommendations provided under this service, Everhart Advisors may recommend load or no-load mutual funds that charge the client 12(b)-1 fees. Everhart and its IAR's in their separate capacity as dually Registered Representatives ("RRs") of Cambridge Investment Research, Inc. ("CIR") may retain a portion of the commissions charged to the client as a RR of CIR. These commissions may include mutual fund sales loads, 12b-1 fees and surrender charges, variable annuity fees and surrender charges and IRA and qualified retirement plan fees. When managing ERISA and qualified accounts, Everhart's IARs must lower or offset the management fee by the amount of the 12b-1 fees and other commissions received in the event such types of compensation are received by the Everhart IAR in his/her individual capacity and upon approved registration as a RR of CIR.

All fees paid to Everhart Advisors for financial planning and consulting services are separate and distinct from the commissions charged by a broker-dealer or asset management fees charged by an investment adviser to implement such recommendations.

It should be noted that lower fees for comparable services may be available from other sources.

Unless the client provides otherwise in the advisory agreement, all fees owed to Everhart Advisors in connection with the investment management platforms selected will be automatically debited from the client's investment management portfolio or another account held through Everhart Advisors, as the client directs.

### **C. Wrap Fee Accounts**

The standard annual management fee schedule for Wrap Fee Accounts is as follows:

#### **Management Fee Schedule:**

First \$250,000	1.90%
Next \$250,000	1.75%
Next \$500,000	1.55%
Over \$1,000,000	1.25%

### **D. Payment**

Everhart Advisors' fees typically are billed quarterly in advance, although in special circumstances, fees may be paid on a one-time only basis. In the event of termination of the client's agreement, Everhart Advisors shall provide a refund of fees pro-rated based on the period to such termination. Depending on the agreement with the client, fees may be deducted from client assets.

## **ITEM 6      PERFORMANCE BASED FEES**

Fees charged by Everhart Advisors will not be based on the capital gains or capital appreciation of client assets.

## **ITEM 7      TYPES OF CLIENTS**

Everhart Advisors provides investment advisory services to individuals, high-net-worth individuals, pension and profit sharing plans, corporations and other business entities. Everhart Advisors does not require account minimums for its advisory services.

## **ITEM 8        METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

Everhart Advisors considers investment structure, fees, product sponsors, investment styles, performance results and any other relevant information when analyzing investments. Investing in securities involves risk of loss that each client should be prepared to bear.

Everhart Advisors uses various sources of information, some of which may be prepared by Everhart Advisors. These sources may or may not be publicly available. Information sources include, but are not limited to, financial newsletters and publications, commercially available databases, research materials by third-party sources, and prospectuses. Everhart Advisors does not represent, warranty, or imply that the services or methods of analysis employed by the Company can or will predict future results. There is a risk that the sources used contain errors and could affect the advice given to a client.

With respect to services to retirement plan sponsors, Everhart Advisors may employ many different calculations, processes, and screening techniques to arrive at specific recommended individual investments within the array of investments offered by each investment provider that is being analyzed including, but not limited to the following:

- Investment analysis by asset class (domestic equity, international equity, income, hybrid/managed accounts), including market capitalization (small, medium, and large), and investment objective (value, blend, and growth orientation);
- Performance relative to other investments in the same asset class;
- Investment performance relative to benchmark performance for the same asset class;
- Percentile ranking of investment performance for the same asset class;
- Style-based analysis to determine the impact of an investment being managed differently than its stated investment objective (which is usually a combination of the stated market capitalization category, and investment objective category);
- Macro screens to eliminate long-term underperforming investments, funds with total managed assets of less than the minimum threshold deemed to be adequate by Everhart Advisors;

- Review of Upside and Downside capture, to estimate upside potential and downside risk of each investment;
- Common objective risk and return statistical measurements, such as Sharpe ratio, Treynor ratio, standard deviation, alpha, and beta;
- Common statistically relevant manager value measurements such as information ratio and tracking error;
- R-squared, correlation coefficients, and other statistically relevant information;
- Excess return over the given performance benchmark;
- Short and long-term historical analysis with any of the above measurements;
- Financial strength, stability, and reputation of the investment provider, and individual investments offered by and through the investment provider;
- Tenure and experience of investment management personnel;
- Investment philosophy, process, and style; and
- Investment fees.

**Note to clients: Investing in securities involves risk of loss that each client should be prepared to bear. These risks include but are not limited to the following:**

### **Risk of Loss**

All investment programs have certain risks that are borne by the investor. The Company's investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

**Interest-Rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.



- Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- Currency Risk:** Companies typically have substantial foreign investments which are subject to fluctuations in the value of the dollar against the currency of the investment's originating country causing exchange rate risk.
- Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## **ITEM 9      DISCIPLINARY INFORMATION**

Everhart Advisors and its principal have no disciplinary history to report.

## **ITEM 10      OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Charles Schwab & Co., Inc., (“Schwab”) a subsidiary of Charles Schwab Corporation (“CSC”) through its subsidiaries provides securities brokerage, banking, money management and financial advisory services. Schwab is a registered broker-dealer, and member of the Financial Industry Regulatory Authority (“FINRA”), and Securities Investor Protection Corporation (“SIPC”). Schwab clears its securities transactions on a fully disclosed basis through Charles Schwab Clearing, which is one of the Custodians for the Company’s advisory clients’ funds and assets.

Everhart Advisors has a wrap fee program that is sponsored by Cambridge Investment Research, Inc. (“CIR”) and is recommended by Everhart Advisors’ IARs to the Company’s advisory clients. CIR is the plan sponsor of the CAAP wrap fee program. Cambridge Investment Research is a broker-dealer licensed under federal and state securities laws, located in Fairfield, Iowa. As previously disclosed, Cambridge is a member of FINRA and the SIPC. CIR clears its securities transactions on a fully disclosed basis through Pershing, LLC. Pershing is one of the Custodians for the Company’s advisory clients’ funds and assets.

In the individual Registered Investment Advisors capacity as dually Registered Representatives of CIR, such IARs are involved in the sale of securities of various types, including, but not limited to, stocks, bonds, and mutual funds. These individuals will receive normal and customary commissions as a result of securities transactions.

Due to the fact that the Company’s IARs are also Registered Representatives of Cambridge, clients with \$100,000 or less in assets to place under management may be advised to purchase commission based (Class A front end load) mutual funds.

In addition, IARs may also be licensed as insurance agents and, as such, may assist clients with implementing insurance recommendations. If a client elects to purchase recommended insurance products through Everhart Advisors and its IARs in their separate capacity as licensed insurance agents, such individuals will receive normal and customary commissions based compensation. As such, a potential conflict of interest may exist between the interests of Everhart Advisors, its IARs, and the interests of the clients. None of the IARs is an agent for a specific insurance provider; all insurance recommendations are made with the client’s best interests in mind.

IARs may also be Registered Representatives of Cambridge Investment Research, Inc. (“CIR”), an unaffiliated broker-dealer and investment advisor, and in their individual capacity as dually RRs of CIR, conflicts of interest may arise in selling general securities products such as stocks, bonds, mutual funds, exchange-traded funds, and variable annuities and variable life products to the Company’s advisory clients.

Clients are under no obligation, contractually or otherwise, to purchase or sell securities and/or insurance products through Everhart Advisors or its IARs. However, if the client freely chooses to implement the plan through such individuals the Company will recommend its client use Schwab, and commissions will be earned in addition to any fees paid for advisory services. The commissions may be higher or lower at Schwab than at other broker-dealers.

## **ITEM 11      CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **Code of Ethics Summary**

Everhart Advisors has adopted a Code of Ethics, a copy of which will be provided to any client or prospective client upon request free of charge. According to the *Investment Advisers Act of 1940*, an investment adviser is considered a fiduciary and has a fiduciary duty to all clients. Everhart Advisors has established a Code of Ethics to comply with the requirements of Section 204(A)-1 of the *Investment Advisers Act of 1940* that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. The Code of Ethics covers all individuals that are classified as “supervised persons”. All employees, officers, directors and investment adviser representatives are classified as supervised persons. Everhart Advisors requires its supervised persons to consistently act in the client’s best interest in all advisory activities. Everhart Advisors imposes certain requirements on its affiliates and supervised persons to ensure that they meet the firm’s fiduciary responsibilities to its clients. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of Everhart Advisors. If you wish to review the Code of Ethics in its entirety, the client may send a written request to the Company and upon receipt of the client’s request, a copy of the Company’s Code of Ethics will promptly be mailed to the client.

### **Affiliate and Employee Personal Securities Transactions Disclosure**

Everhart Advisors or their Investment Advisor Representatives of the firm may not buy or sell for their personal accounts, investment products identical to those recommended to clients. It is the express policy of Everhart Advisors that all persons associated in any manner with our firm must place clients’ interests ahead of their own when implementing personal investments. Everhart Advisors and its associated persons will 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 employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry.

We are now and will continue to be in compliance with applicable state and federal rules and regulations. To prevent conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family members (collectively, associated persons):

- Associated persons cannot prefer their own interests to that of the client.
- Associated persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts.
- Associated persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry.
- Associated persons are prohibited from purchasing or selling securities of companies in which any client is deemed an “insider”.
- Associated persons are discouraged from conducting frequent personal trading.
- Associated persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted to the Chief Compliance Officer of Everhart Advisors.

Any associated person not observing our policies is subject to sanctions up to and including termination.

## **ITEM 12      BROKERAGE PRACTICES**

### **Cambridge Investment Research, Inc., and Charles Schwab & Co., Inc.**

Clients wishing to implement Everhart Advisors’ financial planning advice are free to select any broker they wish and are so informed. If clients wish to have IARs of Everhart Advisors implement the advice through a registered representative or through an asset management account, the Company may make recommendations for the client to use Cambridge Investment Research, Inc., which clears their securities transactions on a fully disclosed basis through Pershing, LLC, or Charles Schwab, which clears its securities transactions on a fully disclosed basis through Charles Schwab Clearing Services. Everhart Advisors does not undertake to select brokers and has not investigated the wide range of brokers available. In making their recommendation to use one of the above broker-dealers, the officers of Everhart Advisors considered the reputation of these entities, their officers and personnel, the entities willingness to

investigate new products and services, and their commission rates. The Company's IARs will review the client's needs prior to making a recommendation.

Schwab serves as an introducing broker-dealer. Schwab has a wide range of approved securities products for which Schwab performs due diligence prior to selection. Transaction fees charged for these products may be higher or lower than transaction fees clients may be able to obtain if transactions were implemented through another broker-dealer. As one of Everhart Advisors' custodian, Schwab provides compliance support, and assistance with technology, and other administrative support needed for our client's accounts.

Schwab makes available to Everhart Advisors other products and services that benefit Everhart Advisors but may not benefit its clients' accounts. Some of these other products and services assist Everhart Advisors 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); facilitate trade execution (and allocation of aggregated trade orders from multiple client accounts); provide research, pricing information and other market data; and assist with back-office functions; recordkeeping and client reporting. Schwab also makes available to Everhart Advisors other services intended to help Everhart Advisors manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services rendered to Everhart Advisors by an independent third party providing these services to Everhart Advisors. As a fiduciary, Everhart Advisors endeavors to act in its clients' best interests. Everhart Advisors' recommendation that clients maintain their assets in accounts through Schwab, CIR or another broker-dealer may create a potential conflict of interest because Everhart Advisors may receive the foregoing benefits or similar benefits from another broker-dealer, which may not give clients a direct benefit.

### **Cambridge Equity Participation Plan**

In addition, Investment Advisor Representatives of Everhart Advisors have entered into an Equity Participation Plan with Cambridge Investment Research (CIR). Under this arrangement, they have the ability to earn a percentage of CIR's overall profit ratio. The Investment Advisor Representatives are not owners or officers of CIR. However, they are eligible to participate in the Equity Participation Plan due to their affiliation as registered representatives of CIR. This arrangement is a potential conflict of interest between Everhart Advisors and its clients in that it may inhibit Everhart Advisors' independent judgment concerning the best execution services offered by CIR.

### **Best Execution Disclosure**

If Everhart Advisors assists in the implementation of any recommendations, we are responsible to ensure that the client receives the best execution possible.

At least annually, Everhart Advisors will review alternative broker-dealer and custodial platforms in the marketplace to confirm its duty to provide the best execution of client accounts possible, considering all factors. Reviews include a comparison of currently recommended broker-dealers, which involves evaluating criteria such as overall expertise, cost competitiveness and financial condition. The quality of broker-dealers is also reviewed through trade journal evaluations. However, best execution does not simply mean the lowest transaction cost. Therefore, no single criteria will validate nor invalidate a custodian, but rather, all criteria taken together will be used in evaluating the currently utilized broker-dealers.

### **Trade Errors**

Everhart Advisors has implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with our fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client will be made whole and any loss resulting from the trade error will be absorbed by Everhart Advisors if the error was caused by the firm. 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 the client's account unless the same error involves other client accounts that should also receive the gains, and it is not permissible for all clients to retain the gain. The Company may also confer with clients to determine if the client should forego the gain (e.g., due to tax reasons). Everhart Advisors will never benefit or profit from trade errors.

### **Soft Dollar Benefits**

An investment adviser receives soft dollar benefits from a broker-dealer when the investment adviser receives research or other products and services in exchange for client securities transactions or maintaining an account balance with the broker-dealer.

Everhart Advisors does not have a soft-dollar agreement with a broker-dealer or a third-party.

## **Block Trading Policy**

Investment advisors may elect to purchase or sell the same securities for several clients at approximately the same time when they believe such action may prove advantageous to clients. This process is referred to as aggregating orders, batch trading or block trading. Everhart Advisors does not engage in block trading.

It should be noted that implementing trades on a block or aggregate basis may be less expensive for client accounts; however, it is the Company's trading policy to implement all client orders on an individual basis. Therefore, the Company does not aggregate or "block" client transactions. Considering the types of investments held in advisory client accounts, the Company does not believe clients are hindered in any way due to the way the Company handles its client's transactions individually. This is because the Company has developed individualized investment strategies for clients and holdings will vary. The Company's strategies are primarily developed for the long-term and minor differences in price execution are not material to its overall investment strategy.

## **ITEM 13      REVIEW OF ACCOUNTS**

### **Account Reviews and Reviewers**

Managed accounts are reviewed at least quarterly. While the calendar or economic factors are the main triggering factors, reviews can also be conducted at the client's request. Account reviews will include investment strategy and objectives review and making a change if strategy, objectives, or financial circumstances of the client have changed. Reviews are conducted by the advisor assigned to the client's account, with reviews performed in accordance with the client's investment goals and objectives.

### **Statements and Reports**

For the Company's asset management services, client's are provided with transaction confirmation notices and regular quarterly account statements directly from the qualified custodian.

You are encouraged to always compare any reports or statements provided by the Company against the account statements delivered from the qualified custodian. When the client has questions about their account statement, the client should contact the Company or their IAR and the qualified custodian preparing the statement.

## **ITEM 14      CLIENT REFERRALS AND OTHER COMPENSATION**

Everhart Advisors has entered into an agreement with certain referring parties (“Referring Parties”) to refer clients to Everhart Advisors. If a referred client enters into an investment advisory agreement with Everhart Advisors, a cash referral fee is paid to the referring party, which is based upon a percentage of the client advisory fees that are generated. The referral agreements between any referring party and Everhart Advisors will not result in any charges to clients in addition to the normal level of advisory fees charged.

When a client is referred to the Company by a referring party, the referring party provides the client with a copy of our Disclosure Brochure as required by the *Investment Advisers Act of 1940*. The client also will complete a Solicitor’s Disclosure Statement document. If the referring party is an unaffiliated registered investment adviser firm, then the client will also receive a copy of the referring party’s Form ADV Part 2 Disclosure Brochure. If a referred client enters into an investment advisory agreement with Everhart Advisors, a referral fee is paid to the referring party. The referral relationship will not result in clients being charged any fees over and above the normal advisory fees charged for the advisory services provided.

The referral agreements between Everhart Advisors and referring parties are in compliance with state and federal securities rules regarding paid solicitor arrangements.

We may from time to time 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 costs incurred for marketing such as client appreciation events, advertising, publishing, 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 which sales have been made or for which it is anticipated sales will be made. This creates 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 this conflict by always basing investment decisions on the individual needs of our clients.

## **ITEM 15      CUSTODY**

Everhart Advisors does not maintain custody of its client’s funds or securities. The Company’s clients’ funds and securities are custodied at CIR and Charles Schwab. Account statements are delivered directly from the qualified custodians to each client, or the client’s independent



representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against any reports that may be received from Everhart Advisors. When clients have questions about their account statements, the client should contact Everhart Advisors or the qualified custodian preparing the statement.

With regard to retirement plan sponsor services, all assets in a client account shall be held for safekeeping with a designated custodian as selected by the client. Everhart Advisors shall not act as custodian for any assets in the client's account and shall not take possession of cash and/or securities of the client's account. Everhart Advisors shall not be liable to clients for any act, conduct or omission by custodian. Everhart Advisors is only authorized or empowered to issue instructions to the custodian or to request information about the account from custodian for the limited purpose of managing the asset allocation of the Models. Everhart Advisors shall have no other discretion or control in regards to custodian instruction.

With regard to all other services, Everhart Advisors shall never take custody or possession of any client funds or securities. The services of an outside custodial firm shall be used.

## **ITEM 16      INVESTMENT DISCRETION**

For all investment management services conducted by Everhart Advisors, the client provides the Company with trading authorization on a non-discretionary basis, the Company and/or IAR is required to contact the client prior to implementing changes in the client's account. Therefore, the client is contacted and required to accept or reject the IAR's investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, the IAR 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. If the client's accounts are managed on a non-discretionary basis, the client needs to know that if the IAR is not able to reach the client or the client is slow to respond to the IAR's request, it can have an adverse impact on the timing of trade implementations, and the Company or the IAR may not achieve the optimal trading price.

You will have the ability to place reasonable restrictions on the types of investments that may be purchased in your Account. You may also place reasonable limitations on the discretionary

power granted to Everhart Advisors so long as the limitations are specifically set forth or included as an attachment to the client agreement.

#### **ITEM 17      VOTING CLIENT SECURITIES**

Everhart Advisors does not vote proxies on behalf of its Clients. The Company has determined that taking on the responsibilities for voting client securities does not add enough value to the services provided to the client to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is the client's responsibility to vote all proxies for securities held in Account.

The client will receive proxies directly from the qualified custodian or transfer agent; the Company or IAR will not provide the client with proxies. Clients are encouraged to read through the information provided with the proxy-voting documents and make a determination based on the information provided.

#### **ITEM 18      FINANCIAL INFORMATION**

Everhart Advisors does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, the Company is not required to include a balance sheet for the most recent fiscal year. The Company is not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, Everhart Advisors has not been the subject of a bankruptcy petition at any time.