

**ITEM 1      COVER PAGE**

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

**Everhart Financial Group, Inc.  
Doing Business as Everhart Advisors  
535 Metro Place South, Suite 100  
Dublin, OH 43017**

**Phone: 614-717-9705 Email: [info@everhartadvisors.com](mailto:info@everhartadvisors.com)**

**Website: [www.everhartadvisors.com](http://www.everhartadvisors.com)**

**This brochure provides information about the qualifications and business practices of Everhart Financial Group, Inc. doing business as Everhart Advisors. If you have any questions about the contents of this brochure, please contact us at 614-717-9705 or [info@everhartadvisors.com](mailto:info@everhartadvisors.com). 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 Everhart Advisors also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Everhart Financial Group, Inc. doing business as Everhart Advisors is a registered investment adviser. Registration does not imply any specific level of skill or training.**

**January 17, 2017**

## **ITEM 2 MATERIAL CHANGES**

Since our last annual update filed in 2016, Everhart Advisors' Columbus office moved to 535 Metro Place South, Suite 100, Dublin, Ohio, 43017. Our Dayton office moved to 2 Prestige Place, Suite 130, Miamisburg, Ohio, 45342.

Beginning in 2017 we will seek to obtain authorization from new and existing clients to exercise discretionary trading authority over client assets under our management. We believe such authority provides greater flexibility and improved capability to meet client needs. For more information please see Item 16 below.

Also in 2017 we expect to revise our client agreements. It is anticipated that new clients will receive a new form agreement for their initial review and approval, while existing clients will be asked to execute revised agreements on a rolling basis, most often in connection with the periodic account review conducted by their assigned consultant.

We will ensure that you receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after our firm's fiscal year ends. Our firm's fiscal year ends on December 31, so you will receive the summary of material changes no later than April 30 each year. At that time we will also offer or provide a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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## **ITEM 4      ADVISORY BUSINESS**

**Everhart Financial Group, Inc. doing business as Everhart Advisors is a corporation located in and formed under the laws of the State of Ohio, and is a registered investment adviser with the Securities and Exchange Commission (“SEC”). Everhart Advisors was founded in 1995. Everhart Advisors’ principal owner is Scott Everhart.**

**Individuals associated with Everhart Advisors will provide its investment advisory services. These individuals are appropriately licensed, qualified, and authorized to provide advisory services on behalf of Everhart Advisors. Such individuals are known as Investment Adviser Representatives (“IARs”).**

### **A.      Advisory Services for Retirement Plans**

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

#### **1.      Investment Advice at the Plan Level**

**Everhart Advisors’ client in this Item 4(A) is an employer that desires to provide its employees with a retirement benefit plan. Everhart Advisors provides research and analysis regarding investment products and advice and fiduciary due diligence services for the sponsors of qualified and non-qualified retirement plans. 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 may provide a draft of the Investment Policy Statement for the Plan Sponsor’s review, or when appropriate, Everhart Advisors will evaluate the Plan Sponsor’s**

existing Investment Policy Statement and provide recommendations that are consistent with assisting the Plan Sponsor in meeting their fiduciary obligations, if applicable, under ERISA Section 404(c).

Everhart Advisors typically provides plan fiduciaries with a periodic report that scores the investment options in each asset class. Based on the results of this periodic analysis Everhart Advisors may recommend changes to the core group of investments offered to Plan Participants.

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

Everhart Advisors may provide group employee enrollment, re-enrollment, and investment education support. Employees who 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 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 via data conferencing.

## **3. Plan Asset Allocation Models**

Everhart Advisors may create, monitor, adjust, and rebalance asset allocation models (“Models”) for Plan Sponsor 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). Models are designed to meet different investment objectives based on risk level. To meet these varying investment needs, participants and beneficiaries will be able 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 education 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 they select.**

#### **4. Vendor Research and Analysis**

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

#### **5. Newsletter Campaign**

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

#### **6. Plan Design Guidance**

**Everhart Advisors provides in-depth plan reviews that may 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.**

#### **7. General Plan Consulting Services**

**Everhart Advisors generally assigns 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.

#### **8. 404(c) Checklist**

Everhart Advisors generally provides a comprehensive checklist of the latest industry accepted standards with respect to 404(c) compliance, and works 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.

#### **9. Fiduciary Role under ERISA**

For those services stated under this Item 4(A) Everhart Advisors acknowledges that it is a fiduciary with respect to the Plan under Section 3(21)(A)(ii) of the Employee Retirement Income Security Act of 1974, as amended (ERISA) 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 Plan level investment advice to the Plan Sponsor; (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. In limited circumstances, and only when specifically set forth in a written agreement between Everhart Advisors and a Plan Sponsor, Everhart Advisors may act as a Plan fiduciary under ERISA Section 3(38).

#### **B. Investment Advice for Individuals**

The client in this Item 4(B) refers to an individual or multiple individuals seeking customized investment advice. Services 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 a client's 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 and income, and may also identify certain problem areas or opportunities the 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 discusses with clients their investment goals and objectives, values, temperament and risk tolerance while working to provide projections and recommendations suited to the client.

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

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

Everhart Advisors may provide general recommendations on estate planning and income tax issues, and may evaluate a client's life insurance policies and make recommendations when client goals indicate more or less coverage is necessary. Everhart Advisors does not provide legal advice and its representatives are not tax professionals.



## **1. Management Services**

Everhart Advisors devises asset allocation strategies based on information provided by the client. Recommended portfolios may be comprised of load-waived mutual funds, no-load mutual funds, sector funds, institutional grade funds or exchange-traded funds, among other asset types.

### **C. Termination of Agreement**

Clients who wish to terminate their agreement with Everhart Advisors 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 cost. After the initial (5) business days, the client 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. Everhart Advisors may terminate its agreement with a client upon written notice to them. In the event of termination of the client agreement by either party, any prepaid but unearned fees will be reimbursed to the client.

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

Due to Everhart Advisors' position as a subject-matter expert in the Retirement Plan arena we 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 fee for each consulting engagement. All fees will be specified in the engagement agreement executed prior to the initiation of any consultation services.

### **E. Assets Under Management**

As of December 31, 2016, Everhart Advisors had approximately \$280,000,000 of non-discretionary assets under management. This amount does not reflect assets under advisement held in ERISA plans for which Everhart Advisors is the plan consultant.

## **ITEM 5 FEES AND COMPENSATION**

### **A. Plan-Level Fees**

For retirement plan sponsor clients Everhart Advisors will either charge an annual fee

calculated as a percentage of the value of plan assets, a fixed annual fee, or some combination of the two. 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). Variable fees will be determined based on the ending aggregate market value of the Plan assets each quarter.

Our fee, and how it is to be calculated, is specified in your agreement with Everhart Advisors. At our sole discretion, you may be required to pay a portion of the 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 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. Variable fees will range from 0 .01% to 1.5% of the Plan Assets. For retirement plan sponsors and participants, fees typically 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 your 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 your account opened at any time other than the beginning of the billing period.

Clients may elect to have the fee deducted from their account or billed directly and due upon receipt of the billing notice. If clients elect to have the fee automatically deducted from an existing account, they are required to provide the custodian with written authorization to deduct the fees from the account and pay the fees to Everhart Advisors. We will provide the custodian with a fee notification statement.

Either party may terminate the client agreement upon providing the other party with written notice of termination. If services are terminated within five business days of signing the client agreement, services are terminated without cost. Any prepaid but unearned fees are promptly refunded to the client.

Everhart Advisors does not reasonably expect to receive any other compensation, direct or indirect, for its services.

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. Mutual fund 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.

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

**B. Fees for Individual Services**

The management fee for individual accounts is based on a percentage of the value of the client's assets under management, and will not exceed 2% of such value. The exact fee will be specified in your agreement with Everhart Advisors. Fees are negotiable based upon the actual services requested and the complexity of the client's situation.

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. Everhart Advisors may recommend load or no-load mutual funds that charge you 12(b)-1 fees. Everhart may receive 12b-1 fees, and as such there may be a conflict of interest. However, some custodial platforms, such as Charles Schwab, do not share 12b-1 fees with Everhart. Therefore, we recommend you discuss this aspect of the potential for additional compensation to Everhart Advisors with your respective Investment Advisor Representative. The client should also read the product prospectus to learn more about charges and fees imposed on the client by the product sponsors.

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

Additionally, in some cases ticket charges might be applied by the custodian when certain classes of shares are selected. Clients are responsible for paying for ticket charges. The ticket charge would often be associated with mutual funds that have lower internal expense ratios than funds that could be purchased without ticket charges. Lower internal expenses often benefit the client through lower ongoing costs to own the investment company product over time. Everhart does not receive any economic benefit from those ticket charges; they are kept by the custodian. More information on this topic is listed under Item 12, Best Execution.

If you retain Everhart Advisors to implement the recommendations provided under this service, Everhart Advisors may recommend load or no-load mutual funds that charge 12(b)-1 fees. Everhart may participate in the reception of those 12b-1 fees, and as such there may be a conflict of interest. However, there are some custodial platforms that do

not share 12b-1 fees with Everhart Advisors. Therefore, we recommend you discuss this aspect of the potential for additional compensation to Everhart Advisors with your respective Investment Advisor Representative.

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

Either party may terminate the services upon providing the other party providing with written notice of termination. If services are terminated within five business days of signing the client agreement, services are terminated without cost. Any prepaid but unearned fees are promptly refunded to the client at the effective date of termination.

**C. Fees for Other Services**

Everhart Advisors' fee for other services provided to clients may be based on a percentage of assets under management, an hourly rate, or an annual retainer fee. Hourly rates range from \$200/hour to \$1,000/hour and are charged based on the client's agreement with Everhart Advisors.

**D. Payment**

Everhart Advisors' fees typically are billed quarterly in advance. 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, and 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 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 Firm can or will predict future results. There is a risk that the sources used contained 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.

**Risk of Loss:** Clients are advised that investing in securities involves the risk of loss of the entire principal amount invested, including any gains. Clients should not invest unless they are able to bear this risk. Any of the above investment strategies may lead to a loss on investments. Even hedging strategies may fail if markets move against the hedged investments. In addition, investing carries with it opportunity risk. It is impossible to accurately predict which sectors of the market or asset classes will earn more favorable returns for a given period.

## **ITEM 9        DISCIPLINARY INFORMATION**

In January 2016, cease and desist proceedings were instituted by the Securities and Exchange Commission (Commission) against Everhart Financial Group, Inc. d/b/a Everhart Advisors, Scott Everhart and Matthew Romeo as principal owners of the firm. The matter was resolved with the Commission's acceptance of the Respondents' Offer of

**Settlement.** The Commission's Order states that since 2010, the registered investment adviser principally invested its clients in mutual funds offered by a single family of mutual funds (the Mutual Fund Complex). This Mutual Fund Complex offers two share classes, and the only meaningful difference between them is that one share class charges "12b-1 fees" and the other does not. Despite higher fees, some adviser representatives at the registered investment adviser nearly always invested non-retirement individual advisory accounts in shares that charged a 12b-1 fee, which was paid to the registered investment adviser's principal owners who were licensed registered representatives of a registered broker-dealer. Receipt of 12b-1 fees not only created a conflict of interest that was not adequately disclosed to the registered investment adviser's clients, but it was inconsistent with the duty to seek best execution. The registered investment adviser did not conduct annual compliance reviews for certain years. As a result, it was determined by the Commission that Respondents willfully violated or caused violations of the Advisers Act and Rules promulgated thereunder. The Order required Respondents to pay monetary penalties in the amount of \$225,408.32 and civil penalties of \$140,000.

Additional information can be found at [www.brokercheck.com](http://www.brokercheck.com) and [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), or on the web CRD and IARD filing systems.

Everhart Advisors aggressively addressed the issues identified by the Commission. Everhart Advisors upgraded its broker-dealer affiliation to Mid Atlantic Capital Corporation. The compliance consultant Everhart Advisors had relied upon was terminated, and an independent compliance consulting company was retained to perform audits for 2016 and 2017. The firm also made significant investments in internal personnel to improve compliance programs and procedures. A seasoned attorney was hired as an in-house, full time Chief Compliance Officer, and all compliance policies and procedures were reviewed and updated as needed. Everhart Advisors changed custodians, and the custodian now used for Advisory services does not pay 12b-1 fees, and thus, no potential conflict of interest exists when assets are held at Schwab. However, other assets held directly at mutual funds, annuities or broker-dealer brokerage accounts may still pay 12b-1 fees. The disclosures related to those accounts have been set forth under Items 5 B, 10, 12 and 14 of this disclosure document.

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

IARs of Everhart Advisors are registered representatives of Mid Atlantic Capital Corporation, Inc. ("Mid Atlantic"), a full-service securities broker-dealer licensed under federal and state securities laws, located in Pittsburgh, Pennsylvania. Mid Atlantic is a

member of FINRA and the SIPC.

In their capacity as registered representatives, 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. Assets held directly at mutual funds, annuities or broker-dealer brokerage accounts may pay 12b-1 fees, ticket charges and other commission compensation to registered representatives. As such, a potential conflict of interest may exist between the interests of Everhart Advisors, its IARs, and the interests of the client.

In addition, IARs may also be insurance licensed 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 commission-based compensation. As such, a potential conflict of interest may exist between the interests of Everhart Advisors, its IARs, and the interests of the client. 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. Additionally, clients are welcome to take such recommendations and implement the insurance recommendations at other insurance agencies separate and apart from Everhart Advisors.

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 do so through Everhart Advisors the broker-dealer used will be Mid Atlantic, and commissions will be earned in addition to any fees paid for advisory services. The commissions may be higher or lower at Mid Atlantic than at other broker/dealers.

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

### **Code of Ethics Summary**

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 your 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 you. 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, send us a written request and upon receipt of your request we will promptly provide a copy of the Code of Ethics to you.**

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

**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**

### **Mid Atlantic Capital Corporation, Inc.**

Clients wishing to implement Everhart Advisors' advice are free to select any broker they wish. If clients wish to have IARs of Everhart Advisors implement the advice in their capacity as registered representatives, Mid Atlantic Capital Corporation, Inc. will be used. Everhart Advisors does not undertake to select brokers and has not investigated the wide range of brokers available. In making their arrangements with Mid Atlantic, the officers of Everhart Advisors considered the reputation of Mid Atlantic, its officers and personnel, its willingness to investigate new products and services, and its commission rates.

As stated previously, IARs of Everhart Advisors are registered representatives of Mid Atlantic and are required to use the services of Mid Atlantic and Mid Atlantic's approved clearing broker-dealers when acting in their capacity as registered representatives. Mid Atlantic serves as the introducing broker-dealer. Mid Atlantic has a wide range of approved securities products for which Mid Atlantic performs due diligence prior to selection. Mid Atlantic's registered representatives are required to adhere to these products when implementing securities transactions through Mid Atlantic. 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. Because the IARs of Everhart Advisors are also registered representatives of Mid Atlantic, Mid Atlantic provides compliance supervisory tasks on the business processed through Mid Atlantic. In addition to compliance review, Mid Atlantic also provides our IARs, and therefore Everhart Advisors, with back-office operational, technology, and other administrative support.

Although Everhart Advisors' IARs are also registered representatives of Mid Atlantic, Everhart Advisors is independently owned and operated and not affiliated (i.e. owned by or under common ownership) with Mid Atlantic.

See "Soft Dollar Benefits" below.

## **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. When Everhart is executing trades on behalf of clients, the focus of best execution is multi-faceted. The first step is to identify custodians that have internal processes and procedures for best execution. The second step is to identify custodians that have a wide array of product types that might help offer various forms of share classes of mutual fund company products. While some No-Transaction-Fee (NTF) Funds would permit trading without a ticket charge, the tradeoff is often in form of a higher internal expense ratio compared to a share class that imposes a ticket charge. Therefore, Everhart may recommend using fund classes that require a ticket charge when allocating assets. The reason custodians often charge a ticket charge is because they are not being paid by the investment company through the fund expense ratio. Therefore, the ticket charge is issued by the custodian to compensate the custodian for the service offered in executing the transaction and generating the record keeping of the trade. In some cases, the difference in expense ratio could be plus or minus 30 basis points (.30%) or more, which seems small, but could more than offset the ticket charges over time.

It should be noted that Everhart Advisors does not participate in or receive any portion of the ticket charges levied by Schwab or other custodian.

Clients should be aware that brokerage commissions are expenses levied to the client that are in addition to investment advisory fees paid by the client. Therefore, items like ticket charges, account maintenance fees and other account expenses issued by the custodian are the responsibility of the account holder and not Everhart Advisers.

## **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, you may not receive or retain gains generated as a result of the error correction. In all situations where you do not cause the trade error, you 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 possible and appropriate, gains earned as a result of a trade error may be retained by you. We may also confer with clients to determine if the client should forego the gain (e.g., due to tax reasons).

We 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.

Mid Atlantic 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 may include software and other technology that provide access to client account data (such as trade confirmation and account statements); facilitation of trade execution (and allocation of aggregated trade orders from multiple client accounts); research, pricing information and other market data; and assistance with back-office functions; recordkeeping and client reporting. Mid Atlantic 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. In addition, Mid Atlantic may make available and/or pay for these types of services rendered to Everhart Advisors by third parties. Everhart Advisors' recommendation that clients maintain their assets in accounts through Mid Atlantic may create a potential conflict of interest as Everhart Advisors may receive the foregoing benefits which may not directly benefit clients. We may from time to time receive reimbursement for travel or marketing expenses from distributors of investment or insurance products. As a fiduciary, Everhart Advisors endeavors to always act in its clients' best interests.

### **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 only rarely engages in block trading when mutual fund share classes are being exchanged for multiple clients, or when a model portfolio (not yet widely used) is reallocated or adjusted.

It should be noted that implementing trades on a block or aggregate basis may be less expensive for client accounts; however, it is our trading policy to implement most client orders on an individual basis. Considering the types of investments we hold in advisory client accounts, we do not believe clients are hindered in any way because we trade accounts individually. This is because we develop individualized investment strategies for most clients and holdings will vary. Our strategies are primarily developed for the long-term and minor differences in price execution are not material to our overall investment strategy.

## **ITEM 13      REVIEW OF ACCOUNTS**

### **Account Reviews and Reviewers**

Periodic account reviews will include investment strategy and objectives review, and investment changes will be recommended where appropriate if a client's strategy or objectives have changed. Reviews are conducted by the advisor assigned to your account, with reviews performed in accordance with your investment goals and objectives.

### **Statements and Reports**

For our asset management services, you 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 us against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact our firm or the qualified custodian preparing the statement.

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

Everhart Advisors has entered into an agreement with certain 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 may be paid to the referring party based upon a percentage of the advisory fees generated. The referral agreements between any referring party and Everhart Advisors will not result in any additional charges or fees to clients.

When a client is referred to us 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 for the referring party. 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 from the referring party.**

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

**Everhart Advisors rewards its employees for referring new clients to the firm. A one-time bonus is paid to employees when an individual or plan sponsor referred by the employee becomes a client of Everhart Advisors. This bonus does not result in higher fees or any additional cost for the client.**

**We may from time to time receive reimbursement for travel or marketing expenses from distributors of investment or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence 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 for this conflict by always basing investment decisions on the individual needs of our clients.**

**Other forms of compensation, including receipt of commissions for securities transactions placed with Mid Atlantic, have been previously disclosed in this brochure under Item 10 and Item 12, respectively.**

**Under 12b-1 plans, ongoing commissions may be paid to registered representatives. The government typically restricts 12b-1 fees to no more than 1% of the current value of the investment on an annual basis, but they are generally between 0.25 and 1%. This fee must be voted on by the mutual fund's directors and must be disclosed in the prospectus. Because this fee is less obvious (not an upfront charge like a "front end load"), investors should read mutual fund documentation thoroughly to understand the fees they are paying. Such fees may present a conflict of interest between Everhart Advisors and the client. Everhart Advisors sought to avoid such conflicts by recommending Charles Schwab as the**

**custodian of assets under its management as such fees are not paid to Everhart Advisors by investment products held at Charles Schwab.**

## **ITEM 15 CUSTODY**

**Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.**

**Everhart Advisors is deemed to have custody of client funds and securities whenever Everhart Advisors is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody Everhart Advisors will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.**

**For accounts in which Everhart Advisors is deemed to have custody, we have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian 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, they 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 a custodian. Everhart Advisors is only authorized or empowered to issue instructions to a custodian or to request information about the account from a custodian for limited purposes.**

**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 for which clients provide us with trading authorization on a non-discretionary basis, we will be required to contact the client prior to implementing changes in their account. Clients will be contacted and required to accept or reject our 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, we 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. For such accounts clients need to know that if we are unable to reach them, or they are slow to respond to our request, it can have an adverse impact on the timing of trade implementations and we may not achieve the optimal trading price.**

**Clients may grant Everhart Advisors discretionary trading authorization in writing pursuant to their client agreement with Everhart Advisors. In which case, we may buy or sell investments for the client's account without additional, prior approval. Everhart Advisors may determine what security to trade and in what amounts. Everhart Advisors does not and cannot guarantee the result of any trade and losses may be incurred.**

**Clients have the ability to place reasonable restrictions on the types of investments that may be purchased in their Account. Clients 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 part of the client agreement.**

**As provided in Everhart Advisors' agreement with clients, we may effect limited trades to replenish cash available to pay advisory fees. This does not constitute discretionary authority.**

## **ITEM 17      VOTING CLIENT SECURITIES**

**Everhart Advisors does not vote proxies on behalf of clients. Therefore, it is the client's responsibility to vote all proxies for securities held in the account should they choose to do so. Clients will receive proxies directly from the qualified custodian or transfer agent; we will not provide clients with proxies. Clients are encouraged to read through the**



**information provided with the proxy-voting documents and make a determination based on such information.**

## **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, we are not required to include a balance sheet for the most recent fiscal year. We are 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.**

## **ITEM 1: COVER PAGE**

*This brochure supplement provides information about R. Scott Everhart that supplements the Everhart Financial Group, Inc. d/b/a Everhart Advisors' firm Brochure. You should have received a copy of that brochure. Please contact Steven Reinsel, Chief Compliance Officer, if you did not receive Everhart Advisors' brochure or if you have any questions about the content of this supplement. Additional information about R. Scott Everhart is also available on the Securities and Exchange Commission's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You may also call 614.717.9705.*

# **EVERHART ADVISORS**

## **Form ADV, Part 2B – Individual Disclosure Brochure**

*for*

**RICHARD “SCOTT” EVERHART**  
President, Chief Executive Officer, CFP®  
and Investment Advisor Representative  
CRD No. 2165784

### **Main Office**

535 Metro Place South, Suite 100  
Dublin, Ohio 43017  
Tele: 614-717-9705  
Fax: 614-717-9725

Updated **October 25, 2016**

<b>ITEM 2: EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE</b>
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**NAME:** Richard Scott Everhart

**BORN:** 01/1967

**TITLE:** President, Chief Executive Officer and Investment Advisor  
Representative of Everhart Advisors

**EDUCATION:** Bachelor of Science, Magna Cum Laude, with Degrees in both  
Finance and Business Management – 1990  
Kent State University – Kent, Ohio

**EXAMINATIONS / LICENSES:** Series 7 – General Securities Representative Examination  
Series 6 – Investment Company Products/Variable Contracts  
Representative Examination  
Series 26 – Investment Company Products/Variable  
Contracts Principal Examination  
Series 63 – Uniform Securities Agent State Law Examination

Accredited Investment Fiduciary (AIF®)

CERTIFIED FINANCIAL PLANNER™  
Certified Financial Planner Board of Standards – Denver, CO

**CFP® Designation:**

To become certified as a CFP® Professional, one must meet the following requirements in the areas of education, examination, experience, and ethics.

**Education Requirements:**

The education requirement for attaining CFP® certification and to attain the right to use the CFP® designation, an individual must satisfactorily fulfill the requirements as stated below. The education requirements include two main parts:

1. Complete college or university-level coursework through a program registered with the CFP® Board, addressing the major personal financial planning areas identified by the CFP® Board's most recent Job Analysis Study; and

2. Verify that you hold a regionally accredited college or university bachelor's degree or higher (accreditation must be recognized by U.S. Department of Education at the time the degree is awarded).

**Examination Requirement:**

Pass the CFP® Certification Examination. This examination is administered in ten (10) hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances.

**Experience Requirement:**

An individual must complete at least three (3) years full-time financial planning related qualifying experience, or the equivalent of 2,000 hours per year for a total of 6,000 hours, is required to satisfy the three (3) year Experience Requirement.

**Ethics Requirement:**

CFP® professionals agree to adhere to the high standards of ethics and practice outlined in the CFP® Board's *Standards of Professional Conduct* ("Standards") and to acknowledge the CFP® Board's right to enforce them through its *Disciplinary Rules and Procedures* ("Disciplinary Rules"). The CFP Board has a set of documents outlining the ethical and practice standards for CFP® professionals to abide by.

**Continuing Education Requirements:**

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP® Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

**Accredited Investment Fiduciary® (AIF®) Designation:**

The AIF Designation certifies that the recipient has specialized knowledge of fiduciary standards of care and their application to the investment management process. To receive the AIF Designation, the individual must meet prerequisite criteria based on a combination of education, relevant industry experience, and/or ongoing professional development, complete a training program, successfully pass a comprehensive, closed-book final examination under the supervision of a proctor and agree to abide by the Code of Ethics and Conduct Standards. In order to maintain the AIF Designation, the individual must annually attest to the Code of Ethics and Conduct Standards, and accrue and report a minimum of six hours of continuing education. The Designation is administered by the Center for Fiduciary Studies, the standards-setting body of fi360.

**BUSINESS BACKGROUND**

<b>Employer</b>	<b>Title</b>	<b>Dates</b>
Everhart Advisors Dublin, Ohio	President, CEO, and Investment Advisor Representative	02/1996 – Present
Mid Atlantic Capital Corporation Pittsburgh, Pennsylvania	Registered Representative	01/2016 – Present
Cambridge Investment Research, Inc. Fairfield, Iowa	Registered Representative	01/2001 – 12/2015
Walnut Street Securities, Inc. El Segundo, California	Registered Representative	06/1995 – 12/2000

**ITEM 3: DISCIPLINARY INFORMATION**

SEC Admin Release 34-76897/IA Release 4314/January 14, 2016: The Securities and Exchange Commission (Commission) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 203(e), 203(f) and 203(k) of the Investment Advisers Act of 1940 (Advisers Act) and Section 15(b)(6) of the Securities Exchange Act of 1934 against Everhart Financial Group, Inc. d/b/a Everhart Advisors, and Richard Scott Everhart and Matthew Romeo as principal owners of

the firm. Since 2010, the registered investment adviser has principally invested its clients in the mutual fund offered by a single family of mutual funds (the Mutual Fund Complex). This Mutual Fund Complex offers two share classes to investment advisers and the only meaningful difference between them is that one share class charges “12b-1 fees” and the other does not. Despite significantly higher fees, some adviser representatives at the registered investment adviser nearly always invested non-retirement individual advisory accounts in shares that charged a 12b-1 fee, which was paid to the registered investment adviser’s principal owners who were licensed registered representatives of a registered broker-dealer. Receipt of 12b-1 fees not only created a conflict of interest that was not adequately disclosed to the registered investment adviser’s clients, but favoring 12b-1 funds over others was inconsistent with the registered investment adviser’s duty to seek best execution for its clients. In addition, the registered investment adviser had several compliance failures, including the lack of annual compliance reviews for several years, and also issued insufficient disclosures regarding the receipt of 12b-1 fees. As a result, it was determined by the SEC that Everhart Financial Group, Inc. d/b/a Everhart Advisors and Richard Scott Everhart and Matthew Romeo as principal owners of the firm, willfully violated Sections 206(2) of the Advisers Act and caused violations of Sections 204 and 206(4) and Rules 204-3(a), 204-3(b)(1) and (2), and 206(4)-7 thereunder.

The Order required Everhart Advisors to pay monetary penalties in the amount of \$201,985.66 and \$23,422.66 to the Commission along with separate civil penalties of \$80,000 from Everhart Advisors and \$40,000 from Scott Everhart.

#### **ITEM 4: OTHER BUSINESS ACTIVITIES**

Mr. Everhart is a registered representative of Mid Atlantic Capital Group, Inc. Mid Atlantic Capital Corporation, Inc. (“Mid Atlantic”), a full service securities broker-dealer licensed under federal and state securities laws, located in Pittsburgh, Pennsylvania. Mid Atlantic is a member of FINRA and the SIPC.

In capacity as a registered representative, Mr. Everhart can be involved in the sale of securities of various types, including, but not limited to, stocks, bonds, and mutual funds. As such, Mr. Everhart can receive normal and customary commissions as a result of securities transactions.

In addition, Mr. Everhart is also insurance licensed and, as such, may assist clients with implementing insurance recommendations. If a client elects to purchase recommended insurance products through Everhart Advisors and Mr. Everhart in his separate capacity as a licensed insurance agent, Mr. Everhart will receive normal and customary commission-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. Mr. Everhart is not an agent for a specific insurance provider; all insurance recommendations are made with the client’s best

interests in mind. Additionally, clients are welcome to take such recommendations and implement the insurance recommendations at other insurance agencies separate and apart from Everhart Advisors.

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 do so through such individuals the broker-dealer used will be Mid Atlantic, and commissions will be earned in addition to any fees paid for advisory services. The commissions may be higher or lower at Mid Atlantic than at other broker/dealers.

## **ITEM 5: ADDITIONAL COMPENSATION**

Mr. Everhart does not receive any economic benefit from any person, company, or organization, in exchange for providing clients advisory services through Everhart Advisors other than his compensation paid by the firm, i.e., salary and/or bonuses.

As an Investment Advisor Representative (“IAR”) of the Company and in his individual capacity as a Registered Representative (“RR”) with the unaffiliated broker-dealer, Mid Atlantic Capital Corporation, Mr. Everhart may sell securities products such as stocks, bonds, mutual funds, exchange-traded funds, and variable annuity and variable life products to advisory clients. As such, the IAR may suggest that advisory clients implement investment advice by purchasing securities products through a commission-based Mid Atlantic account in addition to an advisory account. In the event investment advisory clients elect to purchase these products through Mid Atlantic, Mid Atlantic and the client’s IAR, in the capacity as a Mid Atlantic Registered Representative, may have an incentive to recommend investment products on the compensation received, rather than on the client’s needs. Therefore, a conflict of interest may exist. Clients are not obligated to purchase or sell securities recommended by Mr. Everhart through Mid Atlantic. Clients may select their own broker/dealer for those transactions.

## **ITEM 6: SUPERVISION**

Mr. Everhart is supervised by Steven Reinsel, Chief Compliance Officer of the Company. Mr. Reinsel supervises all duties and activities of the firm’s employees and investment advisor representatives. Mr. Reinsel’s contact phone number is: 614.717.9705. Mr. Everhart adheres to all required regulations regarding the activities of an Investment Adviser Representative and follows all policies and procedures outlined in the firm’s policies and procedures manual, including the Code of Ethics, and appropriate securities regulatory requirements.

## **ITEM 1: COVER PAGE**

*This brochure supplement provides information about Matthew J. Romeo that supplements the Everhart Financial Group, Inc. d/b/a Everhart Advisors' firm Brochure. You should have received a copy of that brochure. Please contact Steven Reinsel, Chief Compliance Officer, if you did not receive Everhart Advisors' brochure or if you have any questions about the content of this supplement. Additional information about Matthew J. Romeo is also available on the Securities and Exchange Commission's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You may also call 614.717.9705.*

# **EVERHART ADVISORS**

## **Form ADV, Part 2B – Individual Disclosure Brochure**

*for*

**MATTHEW J. ROMEO**

Chief Operating Officer, CFP®  
and Investment Advisor Representative  
CRD No. 4201945

### **Main Office**

535 Metro Place South, Suite 100  
Dublin, Ohio 43017  
Tele: 614-717-9705  
Fax: 614-717-9725

Updated **October 25, 2016**



## ITEM 2: EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

**NAME:** Matthew J. Romeo

**BORN:** 04/1978

**TITLE:** Chief Operating Officer, CFP®  
and Investment Advisor Representative  
of Everhart Advisors

**EDUCATION:** Bachelor of Science – Finance – 2001  
Max Fisher College of Business at The Ohio State University –  
Columbus, Ohio

**EXAMINATIONS / LICENSES:** Series 7 – General Securities Representative Examination  
Series 24 – General Securities Principal Examination  
Series 63 – Uniform Securities Agent State Law Examination

Accredited Investment Fiduciary (AIF®)

CERTIFIED FINANCIAL PLANNER™  
Certified Financial Planner Board of Standards – Denver, CO

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### **Education Requirements:**

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3. Complete college or university-level coursework through a program registered with the CFP® Board, addressing the major personal financial planning areas identified by the CFP® Board's most recent Job Analysis Study; and
4. Verify that you hold a regionally accredited college or university bachelor's degree or higher (accreditation must be recognized by U.S. Department of Education at the time the degree is awarded).

**Examination Requirement:**

Pass the CFP® Certification Examination. This examination is administered in ten (10) hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances.

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An individual must complete at least three (3) years full-time financial planning related qualifying experience, or the equivalent of 2,000 hours per year for a total of 6,000 hours, is required to satisfy the three (3) year Experience Requirement.

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- Ethics – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP® Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

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The AIF Designation certifies that the recipient has specialized knowledge of fiduciary standards of care and their application to the investment management process. To receive the AIF Designation, the individual must meet prerequisite criteria based on a combination of education, relevant industry experience, and/or ongoing professional development, complete a training program, successfully pass a comprehensive, closed-book final examination under the supervision of a proctor and agree to abide by the Code of Ethics and Conduct Standards. In order to maintain the AIF Designation, the individual must annually attest to the Code of Ethics and Conduct Standards, and accrue and report a minimum of six hours of continuing education. The Designation is administered by the Center for Fiduciary Studies, the standards-setting body of fi360.

**BUSINESS BACKGROUND**

<b>Employer</b>	<b>Title</b>	<b>Dates</b>
Everhart Advisors Dublin, Ohio	Investment Advisor Representative	12/2001 – Present
Mid Atlantic Capital Corporation Pittsburgh, Pennsylvania	Registered Representative	01/2016 – Present
Cambridge Investment Research, Inc. Fairfield, Iowa	Registered Representative	01/2004 – 12/2015

**ITEM 3: DISCIPLINARY INFORMATION**

SEC Admin Release 34-76897/IA Release 4314/January 14, 2016: The Securities and Exchange Commission (Commission) deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Sections 203(e), 203(f) and 203(k) of the Investment Advisers Act of 1940 (Advisers Act) and Section 15(b)(6) of the Securities Exchange Act of 1934 against Everhart Financial Group, Inc. d/b/a Everhart Advisors, and Richard Scott Everhart and Matthew Romeo as principal owners of the firm. Since 2010, the registered investment adviser has principally invested its clients in the mutual fund offered by a single family of mutual funds (the Mutual Fund Complex). This Mutual Fund Complex offers two share classes to investment advisers and the only meaningful difference between them is that one share class charges “12b-1 fees” and the other does not. Despite significantly higher fees, some adviser representatives at the registered investment adviser nearly always invested non-retirement individual advisory accounts in shares that

charged a 12b-1 fee, which was paid to the registered investment adviser's principal owners who were licensed registered representatives of a registered broker-dealer. Receipt of 12b-1 fees not only created a conflict of interest that was not adequately disclosed to the registered investment adviser's clients, but favoring 12b-1 funds over others was inconsistent with the registered investment adviser's duty to seek best execution for its clients. In addition, the registered investment adviser had several compliance failures, including the lack of annual compliance reviews for several years, and also issued insufficient disclosures regarding the receipt of 12b-1 fees. As a result, it was determined by the SEC that Everhart Financial Group, Inc. d/b/a Everhart Advisors and Richard Scott Everhart and Matthew Romeo as principal owners of the firm, willfully violated Sections 206(2) of the Advisers Act and caused violations of Sections 204 and 206(4) and Rules 204-3(a), 204-3(b)(1) and (2), and 206(4)-7 thereunder.

The Order required Everhart Advisors to pay monetary penalties in the amount of \$201,985.66 and \$23,422.66 to the Commission along with separate civil penalties of \$80,000 from Everhart Advisors and \$20,000 from Matthew Romeo.

#### **ITEM 4: OTHER BUSINESS ACTIVITIES**

Mr. Romeo is a registered representative of Mid Atlantic Capital Group, Inc. Mid Atlantic Capital Corporation, Inc. ("Mid Atlantic"), a full service securities broker-dealer licensed under federal and state securities laws, located in Pittsburgh, Pennsylvania. Mid Atlantic is a member of FINRA and the SIPC.

In capacity as a registered representative, Mr. Romeo can be involved in the sale of securities of various types, including, but not limited to, stocks, bonds, and mutual funds. As such, Mr. Romeo can receive normal and customary commissions as a result of securities transactions.

In addition, Mr. Romeo is also insurance licensed and, as such, may assist clients with implementing insurance recommendations. If a client elects to purchase recommended insurance products through Everhart Advisors and Mr. Romeo in his separate capacity as a licensed insurance agent, Mr. Romeo will receive normal and customary commission-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. Mr. Romeo is not an agent for a specific insurance provider; all insurance recommendations are made with the client's best interests in mind. Additionally, clients are welcome to take such recommendations and implement the insurance recommendations at other insurance agencies separate and apart from Everhart Advisors.

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 do so through such individuals the broker-dealer used will be Mid Atlantic, and commissions will be earned in addition to any fees paid for advisory services. The commissions may be higher or lower at Mid Atlantic than at other broker/dealers.

## **ITEM 5: ADDITIONAL COMPENSATION**

Mr. Romeo does not receive any economic benefit from any person, company, or organization, in exchange for providing clients advisory services through Everhart Advisors other than his compensation paid by the firm, i.e., salary and/or bonuses.

As an Investment Advisor Representative (“IAR”) of the Company and in his individual capacity as a Registered Representative (“RR”) with the unaffiliated broker-dealer, Mid Atlantic Capital Corporation, Mr. Romeo may sell securities products such as stocks, bonds, mutual funds, exchange-traded funds, and variable annuity and variable life products to advisory clients. As such, the IAR may suggest that advisory clients implement investment advice by purchasing securities products through a commission-based Mid Atlantic account in addition to an advisory account. In the event investment advisory clients elect to purchase these products through Mid Atlantic, Mid Atlantic and the client’s IAR, in the capacity as a Mid Atlantic Registered Representative, may have an incentive to recommend investment products on the compensation received, rather than on the client’s needs. Therefore, a conflict of interest may exist. Clients are not obligated to purchase or sell securities recommended by Mr. Romeo through Mid Atlantic. Clients may select their own broker/dealer for those transactions.

## **ITEM 6: SUPERVISION**

Mr. Romeo is supervised by Steven Reinsel, Chief Compliance Officer of the Company. Mr. Reinsel supervises all duties and activities of the firm’s employees and investment advisor representatives. Mr. Reinsel’s contact phone number is 614.717.9705. Mr. Romeo adheres to all required regulations regarding the activities of an Investment Adviser Representative and follows all policies and procedures outlined in the firm’s policies and procedures manual, including the Code of Ethics, and appropriate securities regulatory requirements.