

**Item 1: Cover Sheet**

**FORM ADV PART 2A  
INFORMATIONAL BROCHURE**



**EVERGREEN WEALTH SOLUTIONS, LLC**

Andrew Harris  
1000 Commerce Park Drive, Suite 407  
Williamsport, PA 17701

570-601-6960  
[www.egwealth.com](http://www.egwealth.com)

**May 29, 2019**

**This brochure provides information about the qualifications and business practices of Evergreen Wealth Solutions, LLC. If you have any questions about the contents of this brochure, please contact us at 570-601-6960 or via email at [info@egwealth.com](mailto:info@egwealth.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. Our registration does not imply a certain level of skill or training.**

**Additional information about Evergreen Wealth Solutions, LLC (CRD# 299407) is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2:        Statement of Material Changes**

Evergreen Wealth Solutions, LLC is required to disclose any material changes to this ADV Part 2A here in Item 2. There are no material changes to report.

**Item 3: Table of Contents**

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## INFORMATIONAL BROCHURE

Evergreen Wealth Solutions, LLC

### **Item 4:       Advisory Business**

Evergreen Wealth Solutions, LLC (“EWS”) has been in business as an independently registered investment adviser since January, 2019. EWS is principally owned by Andrew Harris.

EWS provides personalized asset management services to individuals, families, trusts, charitable organizations and foundations, pensions and corporations. Our mission is to improve our clients’ financial well-being and lives. We strive to know more about each client and their situation than anyone else, so that we can make a meaningful impact on their lives.

#### *Financial Planning*

EWS’s focus is on assisting clients as they prepare for and ultimately experience the major transitions in their lives. For many clients, the only life transition that merits preparation is retirement, however, EWS believes that not only are there other major transitions, but preparing for those as well can assist clients in their planning for retirement. For example, preparation in advance for a child with special needs can mean increased cash flow which in turn can help save for retirement. Other examples of transitions include marriage, divorce, death of a spouse, receipt of an inheritance, career changes, sale of a business, and retirement.

The first step in working with EWS is to gather information about the client, their goals and their current circumstances. EWS will request clients to provide documents regarding their income, tax status, savings, and investments, among other requests. Clients will engage with EWS in a series of conversations and meetings where the client learns about EWS’s thought process and methods, and EWS gathers information needed to develop a proposed plan for moving forward. After this initial series of meetings, EWS will begin to review, research, and prepare a financial plan for the client for an agreed upon fee. This financial plan is presented at a separate meeting, where the client reviews the plan and considers whether to engage EWS in other services such as management of the client’s portfolio. Ultimately the financial plan forms the map from which both the client and EWS take direction throughout the engagement.

#### *Asset Management*

When we perform asset management services, we will generally do so on a discretionary basis. This means that while we will continue an ongoing relationship with each client, being involved in various stages of their lives and decisions to be made, we will not seek specific approval of changes to the securities in client accounts. Clients can always make deposits or withdrawals in their accounts at any time. Because we take discretion when managing accounts, clients engaging us will be asked to execute a Limited Power of Attorney (granting us the discretionary authority over the client accounts) through an Investment Management Agreement that outlines the responsibilities of both the client and EWS. This Limited Power of Attorney does not grant EWS the authority to make any withdrawals or transfers in or out of a client account beyond the deduction of fees. Such other transfers will only be made at the specific direction of the client. Advisory services are tailored to the specific needs of an individual client. Clients may place reasonable restrictions on the management of assets, including specific securities or types of securities. However, clients should understand that significant restrictions may decrease the ability of EWS to meet the client’s goals.

In very limited cases, EWS provides investment management services on a non-discretionary basis, which means we will manage the clients' accounts as we do for our discretionary clients, except we will receive approval from the client prior to implementing any investment recommendation. Clients should be aware that some recommendations may be time-sensitive, and, as such, their performance may be affected if EWS is unable to reach them on a timely basis.

Each client's portfolio will be invested according to that client's investment objectives. EWS determines these objectives with the client by reviewing client-provided documents, client interviews and/or asking the client to put these objectives in writing. Once we ascertain your objectives for each account, we will develop a portfolio we believe will best fit your needs. Asset management services for clients will be conducted on a household and not account basis. This means that EWS will consider all of a client's accounts and the impact an investment will have on each before making an investment decision within an account.

To facilitate our portfolio management services, EWS has entered into an agreement with Commonwealth Financial Network, an SEC-registered investment adviser ("Commonwealth"), to offer clients of EWS access to Commonwealth's PPS Custom Account Program, PPS Select Account Program, and PPS Direct Account Program. In the case of the PPS Custom Account Program, EWS will assist clients in the development of personalized asset allocation programs. In the case of the PPS Select Account Program, EWS will collect financial data from clients, help clients determine the suitability of the account, and help clients identify the appropriate investment objectives and strategies to be used. Portfolio management is provided by Commonwealth's Asset Management team. In the case of the PPS Direct Account Program, EWS offers the services of approved money management firms referred to as "Sub-advisors" to assist in managing Client portfolios. Clients of EWS who participate in one or more of Commonwealth's PPS Programs will receive Commonwealth's Form ADV Part 2 in addition to the Form ADV Part 2 for EWS. Clients should refer to Commonwealth's Form ADV Part 2 for detailed information about Commonwealth and Commonwealth's PPS Programs. More information about EWS' relationship with Commonwealth is provided in Item 10 of this Brochure.

### *Retirement Plan Consulting*

EWS offers non-discretionary advisory services to 401k and other qualified retirement plans ("Plans") for businesses, which may include, depending on the needs of the Plan client, recommending investment options for Plans to offer to participants, ongoing monitoring of a Plan's investment options, assisting plan fiduciaries in creating and/or updating the Plan's written investment policy statements, working with Plan service providers, and providing general investment education and advice to Plan participants.

**Non-Discretionary Investment Advisory Services:** When serving in a non-discretionary investment advisory capacity for a Plan, EWS is in the status defined by section 3(21) of the Employee Retirement Income Security Act of 1974. In this capacity, EWS assumes no fiduciary responsibility for the completion of an investment policy statement or any aspect of the definition, selection, maintenance or replacement of any Plan investment options. In this non-discretionary role EWS provides information to the Plan Sponsor/Trustees regarding investment option style parameters and performance reporting. The Plan Sponsor/Trustees exercise full authority over the selection of Plan investment options and may, or may not, utilize the information provided by EWS as part of their decision-making process.

**Other Services for Employee Benefit Plans:** As part of providing the non-discretionary investment services to Plans, EWS may provide certain information and services to the Plan and the Plan

Sponsor/Trustees. These other services are designed to assist the Plan Sponsor/Trustees in meeting their management and fiduciary obligations to the Plan. The other services may consist of the following:

- Assist with Platform Provider Search and Plan Set-Up;
- Plan Review;
- Quarterly investment monitoring;
- Fiduciary compliance;
- Participant communication and education;
- Plan Fee and Cost Review;
- Acting as Third Party Service Provider Liaison;
- Plan Participant Education and Communication;
- Plan Benchmarking;
- Assist with Plan Conversion to New Vendor Platform; and
- Assistance in Plan Merger

#### Assets Under Management

As of this date, EWS manages approximately \$153,263,000 across 1,134 accounts, all on a discretionary basis.

### **Item 5: Fees and Compensation**

#### A. Fees Charged

##### Asset Management

All clients will be required to execute an Investment Management Agreement that will describe the type of management services to be provided and the fees, among other items. Clients are advised that they may pay fees that are higher or lower than fees they may pay another advisor for the same services, and may pay lower fees for comparable services from other sources. Clients are under no obligation at any time to engage, or to continue to engage, EWS for investment services.

EWS provides investment advisory services for an annual fee based upon a percentage of the assets being managed by EWS. This asset based fee typically varies between 1.25% and 0.40% depending on the amount of assets under management. EWS's tiered fee schedule is as follows

<u>PORTFOLIO VALUE</u>	<u>BASE FEE</u>
First \$500,000	1.25%
Next \$500,000	1.15%
Next \$1,000,000	0.90%
Next \$3,000,000	0.80%
Next \$5,000,000	0.60%
Above \$10,000,000	0.40%

For example, a client with \$10 million under EWS's management would pay 1.25% per year on the first \$500,000 under management (\$6,250), 1.15% per year for the amounts between \$500,000 and

\$1,000,000 (\$5,750), 0.9% per year for the amounts between \$1,000,000 and \$2,000,000 (\$9,000), and 0.8% per year for the amounts between \$2,000,000 and \$5,000,000 (\$24,000), and .6% per year for the amounts between \$5,000,000 and \$10,000,000 (\$30,000) for a total of \$75,000 (or an effective rate of 0.75%) per year.

Fees are negotiable, and may be higher or lower than this range, based on the nature of the account. Factors affecting fee percentages include the size of the account, complexity of asset structures, and other factors.

### Financial Planning

Clients engaging EWS for financial planning services may do so on an hourly basis. The hourly rate ranges from \$200-\$400 per hour. However, the fee stated is just a guideline, subject to change according to the complexity of the plan and the specific client's circumstances, because some clients have more challenging issues than others. These complexities may not necessarily correlate with greater net worth. At the discretion of EWS, financial planning fees received may be credited towards a client's asset management fees incurred during the first year of the client engagement.

#### B. Fee Payment

Investment advisory fees will generally be debited directly from each client's account. The advisory fee is paid quarterly, in advance, based upon the market value of the assets being managed by EWS on the last day of the previous billing period as valued by the custodian of your assets. For example, if your annual fee is 1.00%, each quarter we will multiply the value of your account on the last day of the previous billing period by 1.00%, then divide by four to calculate our fee. To the extent there is cash in your account, it will be included in the value for the purpose of calculating fees. Once the calculation is made, we will instruct your account custodian to deduct the fee from your account and remit it to EWS. While almost all of our clients choose to have their fee debited from their account, we will invoice clients upon request and permit payment of fees by check payable to EWS.

For the initial quarter, the fee is calculated on a *pro rata* basis, meaning clients will pay a fee based on the number of days left in the quarter in which they engage EWS. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the termination date and the outstanding or unearned portion of the fee is refunded to the client, as appropriate.

Clients whose fees are directly debited will provide written authorization to debit advisory fees from their accounts held by a qualified custodian. Each month, clients will receive a statement from their account custodian showing all transactions in their account, including the advisory fee. Fees are calculated by Commonwealth and not independently calculated by the custodian. Clients should carefully review their statements, including the fee amounts, and should contact EWS with any questions.

#### C. Other Fees

There are several other fees that can be associated with holding and investing in securities. You will be responsible for fees including but not limited to transaction fees for the purchase or sale of a mutual fund, Exchange Traded Fund or stock. These fees are charged by your account custodian. EWS does not share in these fees. Further, internal expenses of mutual funds will not be included in management fees, as they are deducted from the value of the shares by the mutual fund manager. When selecting mutual funds that have multiple share classes, EWS will take into account the internal fees and expenses associated with each share class. It is EWS policy to purchase the lowest-

cost share class available to us, absent circumstances that dictate otherwise. For a complete discussion of expenses related to each mutual fund, you should read a copy of the prospectus issued by that fund. EWS can provide or direct you to a copy of the prospectus for any fund that we recommend to you.

Please make sure to read Item 12 of this informational brochure, where we discuss broker-dealer and custodial issues.

**D.      *Termination***

Once your notice of termination is received, we will assess pro-rated fees for the number of days between the end of the prior billing period and the date of termination to be paid in whatever way you direct (check, wire). EWS will cease to perform services, including processing trades and distributions, upon termination. Assets not transferred from terminated accounts within 30 (thirty) days of termination may be “de-linked”, meaning they will no longer be visible to EWS and will become a retail account with the custodian.

If you terminate our relationship before the completion of the financial plan, any unearned fees will be returned to you on a pro rata basis.

**E.      Compensation for the Sale of Securities.**

This is not applicable.

**Item 6:      Performance-Based Fees**

EWS will not charge performance based fees.

**Item 7:      Types of Clients**

Clients advised may include individuals, families, trusts, charitable organizations and foundations, pensions and corporations. EWS does not impose a stated minimum fee or minimum portfolio value for starting or maintaining an investment advisory account.

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

It is important for you to know and remember that all investments carry risks. **Investing in securities involves risk of loss that clients should be prepared to bear.**

Each client’s portfolio will be invested according to that client’s investment objectives, which are typically ascertained through the financial planning process for those clients who were introduced to the firm and began with such services. For other clients, information regarding investment objectives will be obtained through client interviews and documents provided by the client. Once we ascertain your objectives for each account, we will work with you to ascertain your associated risk tolerance level. We then develop a set of asset allocation guidelines, and client assets will be invested in one or a combination of our proprietary investment models. Investment models are developed for a variety of risk tolerances and differ based on target portfolio size and tax sensitivity. Generally as accounts increase in size, a greater proportion of individual stocks and bonds are included in the target allocation and the proportion of mutual funds,



exchange traded funds (ETFs), and closed end funds (CEFs) declines.

#### Core-Satellite Portfolio Approach

The classic core/satellite strategy combines passive and active investment styles. In this approach, the bulk of the portfolio's assets (i.e., its core) are invested in passively managed investments such as exchange-traded funds (ETFs) or index mutual funds. Typically, the core is allocated to a large-cap index, such as the S&P 500, or to a broad-market index, such as the Russell 3000. The satellite portions of the portfolio are invested in actively managed mutual funds or separately managed accounts (SMAs). This combination provides the basis for a portfolio that will primarily be devoted to matching benchmark returns with lower risk. The core portion of the portfolio minimizes manager risk and should achieve roughly the selected index return minus expenses. The satellite portion provides the opportunity for excess return over the benchmark in an up market. The investments tailored to track the index will not change their strategies when the targeted index declines in value.

The selection of investments and target weights is based predominately on fundamental analysis. Fundamental analysis is a method of security valuation which involves the examination of company's financials and operations, especially sales, earnings, growth potential, assets, debt, management, products and competition. Fundamental analysis is conducted to determine a company's underlying worth and potential for growth. We subscribe to and utilize several 3<sup>rd</sup> party research platforms and investment commentary services. Our conclusions are based on findings from these services along with predominantly publicly available research, such as regulatory filings, press releases, competitor analyses, and in some cases research we receive from our custodian or other market analyses.

We may periodically recommend changes to the investment strategies and client portfolios to meet the guidelines of the asset allocation for the program or an individual client's objectives. While clients may be invested towards one of these target model allocations, there may be variations from client to client. It is important to remember that because market conditions can vary greatly, your asset allocation guidelines are not strict rules. Rather, we review accounts individually, and may deviate from the guidelines as we believe necessary. We may utilize both active and passive strategies within portfolios depending on the client's objectives.

There are no limits to the types of securities that may be placed in a strategy, or that EWS may evaluate for a client or for inclusion in a strategy. However, investments used in client accounts most typically include individual equities, mutual funds, and fixed income securities.

By looking at a client's accounts as one household, we create one overall portfolio for all the client's accounts and registrations. Once that allocation is decided, we aim to position assets in the most tax efficient, fee friendly, optimized account. While one asset may be held in multiple accounts, we strive to hold each asset in only one account, cutting down on transaction costs, reporting complexity, and portfolio redundancy. Instead of trying to make each individual account its own stand-alone portfolio, we strive to make all combined account one portfolio, without repeating the assets in all accounts. In so doing, we allow for economies of scale and greater utilization of efficient investment structures such as SMAs, that wouldn't otherwise be available in every account.

Additionally, as assets are transitioned from a client's prior advisors to EWS, clients may hold legacy securities and may place restrictions on individual security types. Legacy securities are those that a client owned prior to or separate from its EWS portfolio. If a client transitions mutual fund shares to EWS that are not the lowest-cost share class, and EWS is not recommending disposing of the security altogether, EWS will attempt to convert such mutual fund share classes into the lowest-cost share classes the client is eligible for, taking into account any adverse tax consequences associated with such conversion.

Depending on a client's given circumstances, EWS may recommend that a client rollover retirement plan assets to an Individual Retirement Account (IRA) managed by us. As a result, EWS may earn fees on those accounts. This presents a conflict of interest, as EWS has a financial incentive to recommend that a client roll over retirement assets into an IRA we will manage. This conflict is disclosed to clients verbally and in this brochure. Clients are also advised that they are under no obligation to implement the recommendation to roll over retirement plan assets. EWS attempts to mitigate this conflict by requiring that all investment recommendations have a sound basis for the recommendation, and by requiring advisors of EWS to acknowledge their fiduciary responsibility toward each client.

Additionally, part of the EWS process includes, where appropriate, involving multiple generations in order to facilitate family financial planning. This can increase the financial education of the later generations and manage expectations. However, potential for conflicts of interest exist with the exchange of intergenerational information. EWS attempts to minimize these conflicts by treating each household as its own fiduciary relationship. Information can only be shared across generations with each household's consent.

There are always risks to investing. **Clients should be aware that all investments carry various types of risk including the potential loss of principal that clients should be prepared to bear.** It is impossible to name all possible types of risks. Among the risks are the following:

- **Political Risks.** Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences to markets around the world.
- **General Market Risks.** Markets can, as a whole, go up or down on various news releases or for no understandable reason at all. This sometimes means that the price of specific securities could go up or down without real reason, and may take some time to recover any lost value. Adding additional securities does not help to minimize this risk since all securities may be affected by market fluctuations.
- **Currency Risk.** When investing in another country using another currency, the changes in the value of the currency can change the value of your security value in your portfolio.
- **Regulatory Risk.** Changes in laws and regulations from any government can change the value of a given company and its accompanying securities. Certain industries are more susceptible to government regulation. Changes in zoning, tax structure or laws impact the return on these investments.
- **Tax Risks Related to Short Term Trading:** Clients should note that EWS may engage in short-term trading transactions. These transactions may result in short term gains or losses for federal and state tax purposes, which may be taxed at a higher rate than long term strategies. EWS endeavors to invest client assets in a tax efficient manner, but all clients are advised to consult with their tax professionals regarding the transactions in client accounts.
- **Purchasing Power Risk.** Purchasing power risk is the risk that your investment's value will decline as the price of goods rises (inflation). The investment's value itself does not decline, but its relative value does, which is the same thing. Inflation can happen for a variety of complex reasons, including a growing economy and a rising money supply.
- **Business Risk.** This can be thought of as certainty or uncertainty of income. Management comes under business risk. Cyclical companies (like automobile companies) have more business risk because of the less steady income stream. On the other hand, fast food chains tend to have steadier income streams and therefore, less business risk.
- **Financial Risk.** The amount of debt or leverage determines the financial risk of a company.
- **Default Risk.** This risk pertains to the ability of a company to service their debt. Ratings provided by several rating services help to identify those companies with more risk. Obligations of the U.S. government are said to be free of default risk.
- **Information Risk.** All investment professionals rely on research in order to make conclusions

about investment options. This research is always a mix of both internal (proprietary) and external (provided by third parties) data and analyses. Even an adviser who says they rely solely on proprietary research must still collect data from third parties. This data, or outside research is chosen for its perceived reliability, but there is no guarantee that the data or research will be completely accurate. Failure in data accuracy or research will translate to a compromised ability by the adviser to reach satisfactory investment conclusions.

- **Margin Risk.** “Margin” is a tool used to maximize returns on a given investment by using securities in a client account as collateral for a loan from the custodian to the client. The proceeds of that loan are then used to buy more securities. In a positive result, the additional securities provide additional return on the same initial investment. In a negative result, the additional securities provide additional losses. Margin therefore carries a higher degree of risk than investing without margin. Any client account that will use margin will do so in accordance with Regulation T. EWS may utilize margin on a limited basis for clients with higher risk tolerances.

- **Short Sales.** “Short sales” are a way to implement a trade in a security EWS feels is overvalued. In a “long” trade, the investor is hoping the security increases in price. Thus in a long trade, the amount of the investor’s loss (without margin) is the amount paid for the security. In a short sale, the investor is hoping the security decreases in price. However, unlike a long trade where the price of the security can only go from the purchase price to zero, in a short sale, the price of the security can go infinitely upwards. Thus in a short sale, the potential for loss is unlimited and unknown, where the potential for loss in a long trade is limited and knowable. EWS utilizes short sales only when the client’s risk tolerances permit.

- **Risks specific to private placements, sub-advisors and other managers.** If we invest some of your assets with another advisor, including a private placement, there are additional risks. These include risks that the other manager is not as qualified as we believe them to be, that the investments they use are not as liquid as we would normally use in your portfolio, or that their risk management guidelines are more liberal than we would normally employ.

- **Small Companies.** Some investment opportunities in the marketplace involve smaller issuers. These companies may be starting up, or are historically small. While these companies sometimes have potential for outsized returns, they also have the potential for losses because the reasons the company is small are also risks to the company’s future. For example, a company’s management may lack experience, or the company’s capital for growth may be restricted. These small companies also tend to trade less frequently than larger companies, which can add to the risks associated with their securities because the ability to sell them at an appropriate price may be limited as compared to the markets as a whole. Not only do these companies have investment risk, if a client is invested in such small companies and requests immediate or short term liquidity, these securities may require a significant discount to value in order to be sold in a shorter time frame.

- **Concentration Risk.** While EWS selects individual securities, including mutual funds, for client portfolios based on an individualized assessment of each security, this evaluation comes without an overlay of general economic or sector specific issue analysis. This means that a client’s equity portfolio may be concentrated in a specific sector, geography, or sub-sector (among other types of potential concentrations), so that if an unexpected event occurs that affects that specific sector or geography, for example, the client’s equity portfolio may be affected negatively, including significant losses.

- **Transition risk.** As assets are transitioned from a client’s prior advisers to EWS there may be securities and other investments that do not fit within the asset allocation strategy selected for the client. Accordingly, these investments will need to be sold in order to reposition the portfolio into the asset allocation strategy selected by EWS. However, this transition process may take some time to accomplish. Some investments may not be unwound for a lengthy period of time for a variety of reasons that may include unwarranted low share prices, restrictions on trading, contractual restrictions on liquidity, or market-related liquidity concerns. In some cases, there may be securities

or investments that are never able to be sold. The inability to transition a client's holdings into recommendations of EWS may adversely affect the client's account values, as EWS's recommendations may not be able to be fully implemented.

- **Restriction Risk.** Clients may at all times place reasonable restrictions on the management of their accounts. However, placing these restrictions may make managing the accounts more difficult, thus lowering the potential for returns.

- **Risks Related to Investment Term & Liquidity.** Securities do not follow a straight line up in value. All securities will have periods of time when the current price of the security is not an accurate measure of its value. If you require us to liquidate your portfolio during one of these periods, you will not realize as much value as you would have had the investment had the opportunity to regain its value. Further, some investments are made with the intention of the investment appreciating over an extended period of time. Liquidating these investments prior to their intended time horizon may result in losses.

- **REITs:** EWS may recommend that portions of client portfolios be allocated to real estate investment trusts, otherwise known as "REITs". A REIT is an entity, typically a trust or corporation that accepts investments from a number of investors, pools the money, and then uses that money to invest in real estate through either actual property purchases or mortgage loans. While there are some benefits to owning REITs, which include potential tax benefits, income and the relatively low barrier to invest in real estate as compared to directly investing in real estate, REITs also have some increased risks as compared to more traditional investments such as stocks, bonds, and mutual funds. First, REITs, even those traded on an exchange, can be hard to sell and receive full value (**what is known as being "illiquid"**). Second, real estate investing can be highly volatile. Third, the specific REIT chosen may have a focus such as commercial real estate or real estate in a given location. Such investment focus can be beneficial if the properties are successful, but lose significant principal if the properties are not successful. REITs may also employ significant leverage for the purpose of purchasing more investments with fewer investment dollars, which can enhance returns but also enhances the risk of loss. The success of a REIT is highly dependent upon the manager of the REIT. REITs are used by EWS as a way to generate income for a portfolio. Even if a REIT drops in trading price significantly, its value in terms of income generation can still be present. If a significant drop in price for an individual REIT security in your portfolio is beyond your risk tolerance, please advise EWS of this preference, and your portfolio will not include REITs without your consent. Clients should ensure they understand the role of the REIT in their portfolio.

- **Interest Rate Risks:** The prices of, and the income generated by, most debt and equity securities may be affected by changing interest rates and by changes in the effective maturities and credit ratings of these securities. For example, the prices of debt securities generally will decline when interest rates rise and will increase when interest rates fall. In addition, falling interest rates may cause an issuer to redeem, "call," or refinance a security before its stated maturity date, which may result in having to reinvest the proceeds in lower-yielding securities.

- **Credit risks:** Debt securities are also subject to credit risk, which is the possibility that the credit strength of an issuer will weaken and/or an issuer of a debt security will fail to make timely payments of principal or interest and the security will go into default

- **Risks of investing outside the U.S.:** Investments in securities issued by entities based outside the United States may be subject to the risks described above to a greater extent. Investments may also be affected by currency controls; different accounting, auditing, financial reporting, disclosure, and regulatory and legal standards and practices; expropriation (occurs when governments take away a private business from its owners); changes in tax policy; greater market volatility; different securities market structures; higher transaction costs; and various administrative difficulties, such as delays in clearing and settling portfolio transactions or in receiving payment of dividends. These risks may be heightened in connection with investments in developing countries. Investments in securities issued by entities domiciled in the United States may also be subject to many of these

risks. Your investments are not bank deposits and are not insured or guaranteed by the FDIC or any other governmental agency, entity, or person, unless otherwise noted and explicitly disclosed as such, and as such may lose value.

- **Risks Related to Investment Term & Liquidity.** Securities do not follow a straight line up in value. All securities will have periods of time when the current price of the security is not an accurate measure of its value. If you require us to liquidate your portfolio during one of these periods, you will not realize as much value as you would have had the investment had the opportunity to regain its value. Further, some investments are made with the intention of the investment appreciating over an extended period of time. Liquidating these investments prior to their intended time horizon may result in losses.

- **MLPs.** EWS may recommend that portions of client portfolios be allocated to master limited partnerships, otherwise known as “MLPs”. An MLP is a publicly traded entity that is designed to provide tax benefits for the investor. In order to preserve these benefits, the MLP must derive most, if not all, of its income from real estate, natural resources and commodities. While MLPs may add diversification and tax favored treatment to a client’s portfolio, they also carry significant risks beyond more traditional investments such as stocks, bonds and mutual funds. One such risk is management risk-the success of the MLP is dependent upon the manager’s experience and judgment in selecting investments for the MLP. Another risk is the governance structure, which means the rules under which the entity is run. The investors are the limited partners of the MLP, with an affiliate of the manager typically the general partner. This means the manager has all of the control in running the entity, as opposed to an equity investment where shareholders vote on such matters as board composition. There is also a significant amount of risk with the underlying real estate, resources or commodities investments.

- **Options.** Options trading involves a significant degree of risk. The purchase of a put or call option may lose the entire premium paid. If a put or call option is written or sold, the loss is potentially unlimited.

## **Item 9:       Disciplinary Information**

There are no disciplinary items to report.

## **Item 10:       Other Financial Industry Activities and Affiliations**

### **A. Broker-dealer**

Neither the principal of EWS, nor any related persons are registered, or have an application pending to register, as a broker dealer or as an associated person of the foregoing entities.

### **B. Futures Commission Merchant/Commodity Trading Advisor**

Neither the principal of EWS, nor any related persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

### **C. Relationship with Related Persons**

Certain professionals of EWS are separately licensed as independent insurance agents. As such, these professionals may conduct insurance product transactions for EWS clients, in their capacity as licensed insurance agents, and will receive customary commissions for these

transactions in addition to any compensation received in their capacity as employees of EWS. Commissions from the sale of insurance products will not be used to offset or as a credit against advisory fees. In the event that a client account managed by EWS contains any variable annuity investments for which a related person of EWS has received a commission related to its sale, EWS will not include the value of these assets in its calculation of the management fees. These professionals therefore have incentive to recommend insurance products based on the compensation to be received, rather than on a client's needs. The receipt of additional fees for insurance commissions is therefore a conflict of interest, and clients should be aware of this conflict when considering whether to engage EWS or utilize these professionals to implement any insurance recommendations. EWS attempts to mitigate this conflict of interest by disclosing the conflict to clients, and informing the clients that they are always free to purchase insurance products through other agents that are not affiliated with EWS, or to determine not to purchase the insurance product at all. EWS also attempts to mitigate the conflict of interest by requiring employees to acknowledge in the firm's Code of Ethics, their individual fiduciary duty to the clients of EWS, which requires that employees put the interests of clients ahead of their own.

#### D. Recommendations of Other Advisers

As noted in Item 4 of this Brochure, EWS has entered into an agreement with Commonwealth Financial Network, a SEC-registered investment adviser, to offer Commonwealth's programs to clients of EWS. As part of this agreement, Commonwealth provides various services to EWS and clients of EWS including, but not limited to, account opening, cashiering, trading, fee debiting, and technology support. EWS will pay Commonwealth an administrative fee, subject to change from time to time, in return for receiving the above services. Clients should be aware that the recommendation of Commonwealth's programs by EWS presents a conflict of interest in that the administrative fee paid to Commonwealth will be reduced should EWS reach various levels of assets under management in Commonwealth's program.

EWS has also adopted certain procedures designed to mitigate the effects of these conflicts. As part of our fiduciary duty to clients, EWS and our personnel endeavor at all times to put the interests of the clients first and recommendations will only be made to the extent that they are reasonably believed to be in the best interests of the client. Additionally, the conflicts presented by these practices are disclosed to clients through this Brochure, client agreements and/or verbally prior to or at the time of entering into an agreement.

Additionally, for some accounts, EWS may utilize third party managers other than Commonwealth to assist in the management of client assets. These managers are selected by EWS after a process whereby EWS evaluates each manager's investment performance, operations, and offerings to determine if the manager would be a fit for EWS clients. This process continues on an ongoing basis, throughout the time the client works with the third party manager. It is important to note that these managers will charge a separate and additional fee, for their services. EWS will consider these fees in its decision to recommend the use of a third party manager.

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

- A. A copy of our Code of Ethics is available upon request. Our Code of Ethics includes discussions of our fiduciary duty to clients, political contributions, gifts, entertainment, and trading guidelines.

B. EWS does not recommend to clients that they invest in any security in which EWS or any principal thereof has any material financial interest.

C. On occasion, an employee of EWS may purchase for his or her own account securities which are also recommended to clients and/or are held in client accounts. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades are reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

D. On occasion, an employee of EWS may purchase for his or her own account securities which are also recommended for clients at the same time the clients purchase the securities. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades are reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

## **Item 12: Brokerage Practices**

EWS generally uses the brokerage and clearing services of National Financial Services LLC ("NFS"), a Fidelity Investments® company. Factors which EWS considers in recommending NFS or any other broker-dealer to clients include their financial strength, reputation, execution, pricing, research and service. Use of NFS enables EWS to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by NFS may be higher or lower than those charged by other Financial Institutions. The commissions paid by EWS's clients comply with EWS's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where EWS determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. EWS seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Transactions may be cleared through other Financial Institutions with whom EWS and the Financial Institutions have entered into agreements for prime brokerage clearing services. EWS periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

Transactions for each client generally will be effected independently, unless EWS decides to purchase or sell the same securities for several clients at approximately the same time. EWS may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among EWS's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed

independently. Under this procedure, transactions will generally be averaged as to price and allocated among EWS's clients *pro rata* to the purchase and sale orders placed for each client on any given day.

To the extent that EWS determines to aggregate client orders for the purchase or sale of securities, including securities in which EWS's Supervised Persons may invest, EWS does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. EWS does not receive any additional compensation or remuneration as a result of the aggregation. If EWS determines that a *pro rata* allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a *pro rata* allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, EWS may exclude the account(s) from the allocation; the transactions may be executed on a *pro rata* basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker dealers in return for investment research products and/or services which assist EWS in its investment decision-making process. Research generally will be used to service all of EWS's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because it may influence EWS's choice of broker-dealer over another broker-dealer that does not provide the same research and/or services.

### **Software and Support Provided by Financial Institutions**

EWS may receive from Commonwealth, or NFS, either free or at a reduced cost, computer software and related systems support, including: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information. These services allow EWS to monitor client accounts maintained at NFS. EWS may receive the software and related support without cost because EWS renders investment management services to clients that maintain assets at NFS. The software and support is not provided in connection with securities transactions of clients and is not paid for with client funds (i.e. not "soft dollars"). In addition, Commonwealth and NFS provide us with certain technology platforms and related trading and account management services at reduced costs. These products and services provide clients with an online Client Portal that enables them to view their investment objectives, risk tolerance parameters, investment strategies, and portfolios.

The software and related systems support provided by the Financial Institutions may benefit EWS, but not its clients directly. The Financial Institutions may offer us other services intended to assist us



in the management and further development of our business, including educational conferences and events, consulting on technology, compliance, legal and business needs, and access to providers of services we may need. In fulfilling its duties to its clients, EWS endeavors at all times to put the interests of its clients first. Clients should be aware, however, that EWS's receipt of economic benefits from a financial institution creates a conflict of interest since these benefits may influence EWS's choice of one financial institution over another financial institution that does not furnish similar software, systems support, or services.

### **Item 13:       Review of Accounts**

All accounts and corresponding financial plans will be managed and reviewed on an ongoing basis. All clients are advised that it remains their responsibility to advise EWS of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with EWS on an annual basis. EWS may conduct account reviews upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections, or client request. Clients are provided monthly with written transaction confirmation notices and regular written summary account statements directly from the custodian. EWS may also provide a written periodic report summarizing account activity and performance. Please refer to Item 15 regarding Custody.

### **Item 14:       Client Referrals and Other Compensation**

#### **A. Economic Benefit Provided by Third Parties for Advice Rendered to Client.**

Please refer to Items 4, 10 and 12, where we discuss recommendation of Broker-Dealers and our relationship with Commonwealth.

#### **B. Compensation to Non-Advisory Personnel for Client Referrals.**

If a client is introduced to EWS by either an unaffiliated or an affiliated solicitor, EWS may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Unaffiliated or affiliated solicitors will be licensed in accordance with applicable state laws. Any such referral fee shall be paid solely from EWS's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to EWS by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of the solicitor relationship, and shall provide each prospective client with a copy of EWS's ADV 2A Brochure, and a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between EWS and the solicitor, including the compensation to be received by the solicitor from EWS.

### **Item 15:       Custody**

There are two avenues through which EWS has custody of client funds; by directly debiting its fees from client accounts pursuant to applicable agreements granting such right, and potentially by permitting clients to issue standing letters of authorization ("SLOAs"). SLOAs permit a client to issue one document that directs EWS to make distributions out of the client's account(s). Clients

will receive statements directly from Fidelity, and copies of all trade confirmations directly from Fidelity.

Clients whose fees are directly debited will provide written authorization to debit advisory fees from their accounts held by the qualified custodian. Each month, the client will receive a statement from their account custodian showing all transactions in their account, including the fee. We encourage clients to carefully review the statements and confirmations sent to them by their custodian, and to compare the information on reports prepared by EWS against the information in the statements provided directly from the custodian. Please alert us of any discrepancies.

In addition to the account custodian's custody procedures, clients issuing SLOAs will be requested to confirm, in writing, that the accounts to which funds are distributed are parties unrelated to EWS or Fidelity.

#### **Item 16: Investment Discretion**

When EWS is engaged to provide asset management services on a discretionary basis, we will monitor your accounts to ensure that they are meeting your asset allocation requirements. If any changes are needed to your investments, we will make the changes. These changes may involve selling a security or group of investments and buying others or keeping the proceeds in cash. You may at any time place restrictions on the types of investments we may use on your behalf, or on the allocations to each security type. You may receive at your request written or electronic confirmations from your account custodian after any changes are made to your account. You will also receive monthly statements from your account custodian. Clients engaging us on a discretionary basis will be asked to execute a Limited Power of Attorney (granting us the discretionary authority over the client accounts) through the Investment Management Agreement that outlines the responsibilities of both the client and EWS.

#### **Item 17: Voting Client Securities**

From time to time, shareholders of stocks, mutual funds, exchange traded funds or other securities may be permitted to vote on various types of corporate actions. Examples of these actions include mergers, tender offers, or board elections. Clients are required to vote proxies related to their investments, or to choose not to vote their proxies. EWS will not accept authority to vote client securities. Clients will receive their proxies directly from the custodian for the client account. EWS will not give clients advice on how to vote proxies.

#### **Item 18: Financial Information**

EWS does not require the prepayment of fees more than six (6) months or more in advance and therefore has not provided a balance sheet with this brochure.

There are no material financial circumstances or conditions that would reasonably be expected to impair our ability to meet our contractual obligations to our clients.