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Part 2A of Form ADV - Firm Brochure

Item 1 Cover Page

March 29, 2019

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. 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 is available on the SEC's website at www.adviserinfo.sec.gov.

Everhart Advisors is a registered investment adviser. Registration does not imply any specific level of skill or training. Clients are encouraged to review this and available supplemental information regarding the qualifications of our firm and our employees.

Item 2 Material Changes

This section identifies the material changes since our last annual update in March 2018.

We identified both our Dublin and Dayton office locations at **Item 4.A**

We revised **Item 4.B.2** to:

- Clarify that we do not provide tax or estate planning advice as we are not attorneys or tax professionals. Rather, we may consult with clients regarding how certain tax or estate planning considerations impact the allocation of a client's financial assets;
- Note that we implemented a process to facilitate the proper supervision of and adequate disclosures about rollovers from qualified accounts;
- Explain we are not responsible for the advice or work product of other professionals and to disclose that we may refer clients to professionals who are also clients or who refer clients to us. However, we are never obligated contractually or otherwise to make a referral; and
- Further clarify that we receive compensation in addition to our advisory fees, including 12b-1 fees, in connection with products sold through our broker-dealer, including 529 plans, variable annuities and direct business with mutual fund companies.

At **Item 4.C** we noted that we may be retained to consult on retirement plans by professionals, including law firms and accounting firms, as well as other investment advisers.

Item 5.A reflects a recent change in our billing practice for retirement plans. Our new retirement plan client agreement provides for billing in arrears rather than in advance. We will seek to amend or replace old agreements as appropriate.

A more detailed explanation of how our tiered fee schedule is applied to client assets was added to **Item 5.B**. Also, we again explained that we receive compensation in addition to our advisory fees, including 12b-1 fees, in connection with products sold through our broker-dealer, including 529 plans, variable annuities and direct business with mutual fund companies.

We recently established an investment committee to review our model portfolios and approve mutual funds and ETFs for recommendation to clients as noted at **Item 8**. We also indicated that we most frequently recommend investments in mutual funds and exchange-traded funds, or ETFs. We created and implemented model portfolios for some clients.

We added the following to **Item 9**:

In August 2016 the Ohio Division of Securities entered into a consent agreement with Lisa Block and issued a Cease and Desist Order relating to allegations that she indirectly received commissions from the sale of securities prior to being licensed to do so. Ms. Block agreed to refund \$27,638.83 in commissions to approximately 17 affected clients.

In December 2018 the Ohio Department of Insurance issued a Consent Order relating to Lisa Block's insurance license renewal application in which she failed to disclose the 2016 proceeding described above. Ms. Block was ordered to pay \$400 as a civil penalty and \$100 in administrative costs.

At **Item 10** we revised the description of our relationship with our broker-dealer and the compensation we receive, including 12b-1 fees, in connection with products sold through them, including 529 plans, variable annuities and direct business with mutual fund companies.

We also specifically described our Co-Advisor Agreement with Wealthstone, Inc, by which Wealthstone may refer its clients to us for retirement plan advisory services in consideration of our agreement to pay Wealthstone a percentage of the fees earned.

The description of our relationship with qualified custodians Charles Schwab and SEI was updated at **Item 12**. Similar changes were made to the description of Soft Dollar Benefits.

We updated the description of our client account review process at **Item 13** to reflect the occurrence of telephonic and remote reviews, model portfolio adjustment and rebalancing, and excess cash and mutual fund share class reviews. We also clarified that we do not review accounts of transactional clients who do not pay us an advisory fee.

We added a specific reference to our Co-Advisor Agreement with Wealthstone at **Item 14**. We also added a discussion of our referrals to other professionals, such as lawyers, accountants and insurance agents. We updated the description of 12b-1 fees to specify that such fees are paid to Everhart Advisors on investments in 529 plans and mutual fund shares held directly at the mutual fund companies.

At **Item 15** we explained that we do not undergo a surprise audit because we and the qualified custodians with which we have a relationship comply with the “safe harbor” established by the SEC’s February 2017 no-action letter relating to the Custody Rule.

In addition to the changes described in this Brochure, it should be noted that as part of our annual compliance review we substantially revised our **Compliance Manual** to add new policies, such as investment selection, senior investor, rollover, alternative investment and required minimum distribution policies, and to update and improve existing policies, including our information security, business continuity and disaster recovery, client communication, and client orders and trades policies.

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Item 4 **Advisory Business**

- A.** 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 by our principal owner, Scott Everhart. Our main office is at 535 Metro Place South, Suite 100, Dublin, Ohio 43017. We also have an office at 2 Prestige Place, Miamisburg, Ohio 45315.

Each client of Everhart Advisors is assigned one or more Investment Adviser Representative (“IAR”) who is appropriately licensed and qualified to provide investment advisory services tailored to each client’s situation. We provide advisory services to retirement benefit plans (e.g. 401(k) plans) as well as wealth management services to individuals and entities.

B.1. Advisory Services for Retirement Plans

Everhart Advisors’ client in this Item 4.B.1 is an employer that desires to provide its employees with a retirement benefit plan. Everhart Advisors provides consulting services to qualified and nonqualified retirement plan sponsors, including investment advice, fiduciary due diligence services, employee education, asset allocation, vendor research and analysis, and plan design guidance.

Investment Advice for Retirement Plans

Everhart Advisors provides research and analysis of investment products and fiduciary due diligence services. Our goal is to establish a thorough investment due diligence process that is consistently employed in the selection and ongoing monitoring of investment options and is compliant with applicable fiduciary obligations and the client’s investment policy statement.

Everhart Advisors typically provides plan fiduciaries with a periodic report that scores the investment options in each asset class considering several criteria, including past performance, management and cost. Based on the results of this periodic analysis Everhart Advisors may recommend changes to the investments offered to plan participants.

Everhart Advisors may either draft an investment policy statement for the plan sponsor’s review and consideration or evaluate the existing investment policy statement and provide appropriate recommendations.

Employee Plan and Investment Education

Everhart Advisors may provide 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. Education meetings are offered on an annual, semi-annual, quarterly, or as requested basis. These meetings may be held in a group or individual setting and may be conducted on-site or via remote conferencing.

Plan Asset Allocation Models

Everhart Advisors may create, monitor, adjust, and rebalance asset allocation models (“Models”) for use by the plan sponsor as an investment tool provided to plan participants to assist them 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. The goal is to allow plan participants to meet their investment objectives by allocating their account balances among a range of investment options to construct diversified portfolios that appropriately span the risk/return spectrum.

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

Vendor Research and Analysis

Everhart Advisors may assist plan sponsors with the selection of service providers for their plan based on research and analysis of several potential vendors. The vendor review process typically includes an evaluation of administrative, recordkeeping, compliance, and employee communication services, administrative and investment-related fees, and an investment review that incorporates an analysis similar to the investment due diligence process described above.

Newsletter Campaign

Everhart Advisors’ distributes a monthly newsletter to plan sponsor clients which may include plan design and compliance suggestions, as well as updates regarding the retirement plan industry, financial markets and regulatory and legislative developments.

Plan Design Guidance

For clients newly implementing a retirement benefit plan Everhart Advisors offers to advise them on the design and pertinent features of the new plan. For clients with existing plans we offer plan reviews that entail an analysis of several design features which may include eligibility requirements; vesting; forfeitures; employer contribution formulas; entry and re-entry dates; and auto-enrollment and escalation provisions. We will recommend appropriate amendments to benefit the plan sponsor or plan participants.

General Plan Consulting Services

Everhart Advisors generally assigns a Relationship Manager who is responsible to address ongoing questions, concerns, and issues raised by the plan sponsor. Services typically include plan pricing and contract negotiation between the incumbent provider and the plan sponsor, recommendations of specific service and product enhancements, facilitation of solutions to service, administrative, and recordkeeping issues, plan compliance assistance and guidance, and ongoing problem solving. Everhart Advisors typically provides a "help email" address, and "1-800" phone consultation assistance for plan participants.

404(c) Checklist

Everhart Advisors typically provides plan sponsors with a checklist of the latest industry accepted standards for 404(c) compliance and works with the plan sponsor to facilitate completion of the checklist. The plan sponsor is ultimately responsible for addressing and verifying compliance with each item.

Fiduciary Role under ERISA

When we serve as a consultant to a retirement plan Everhart Advisors is a fiduciary under either Section 3(21)(A)(ii) or Sections 3(38)(A) and (B)(i) of the Employee Retirement Income Security Act of 1974, as amended (ERISA). Everhart Advisors is a co-fiduciary with the plan's sponsor. The agreement between Everhart Advisors and the plan sponsor will specify the nature of our fiduciary role. Where Everhart Advisors is a 3(21) fiduciary, the retirement plan sponsor is responsible to select the investment options available under the plan. Where we are a 3(38) fiduciary, we are responsible to select the available investment options.

B.2. Advisory Services for Individuals

The client in this Item 4.B.2 is an individual or entity seeking investment or wealth management advice. Everhart Advisors advisory services are tailored to individual clients in light of their specific circumstances. Everhart Advisors seeks to understand a client's financial resources, obligations, objectives and risk tolerance through an initial interview process, periodic review meetings and a review of any pertinent documents provided by the client.

We may also provide advice regarding:

- Capital needs; debt and cash flow planning
- Risk management and insurance needs
- Tax planning considerations
- College funding
- Retirement planning
- Business succession planning
- Estate planning considerations
- Special needs (adult dependent needs, education needs, disability needs, etc.)

While our advice is tailored to each client, Everhart Advisors generally adheres to a buy and hold investment strategy as we believe in the underlying strength and long-term viability of the market economy. Volatility is inherent in the market system, but we believe it is counterproductive to chase short-term performance. Therefore, we do not try to time or outsmart the market. We invest prudently and encourage discipline. We generally prefer low expenses, stability, and appropriate diversification considering the client's risk tolerance and time horizon.

Recommended investments may include mutual funds, exchange traded funds (ETFs), indexed funds, individual stocks, fixed and variable annuities, and fixed income vehicles including bonds, and when appropriate, alternative investments such as limited partnerships, limited liability companies, real estate investment trusts (REITs) and private equity transactions. A client's specific circumstances and objectives may compel a deviation from our general philosophy. Clients may place reasonable restrictions on the types of securities purchased by notifying Everhart Advisors in writing.

Consistent with our investing philosophy, absent a material change in financial or personal circumstances a client's asset allocation may remain largely unchanged over time. We believe our role includes fostering client education and discipline, which facilitates good investing behaviors, which in turn promotes better outcomes. Accordingly, our fees are billed even during periods of account inactivity.

Everhart Advisors devises asset allocation strategies based on information provided by the client. Clients are thus responsible to promptly notify Everhart Advisors of changes to their financial status, objectives or risk tolerance.

Client Education

Everhart Advisors seeks to educate clients about financial markets, our guiding investment philosophy, as well as good investing behavior and discipline. We provide this education via the client on-boarding process, periodic reviews, client newsletters (usually distributed quarterly) and workshops (usually held semi-annually).

ERISA and IRA Rollovers

Clients seeking to rollover ERISA or IRA accounts to new or existing accounts managed by Everhart Advisors should be aware they may lose certain advantages, suffer adverse tax consequences, and/or incur higher costs. These situations present a conflict of interest as the IAR is incented to recommend a rollover in order to earn a fee. Everhart Advisors attempts to address this conflict of interest by educating the client regarding the costs and benefits of any rollover, educating our IARs on the issue and always making recommendations in the client's best interest. We implemented a rollover process to help ensure the client is adequately informed and the rollover is in their best interest. Clients are encouraged to understand the potential risks and costs of any rollover and to address any questions or concerns with their IAR or Everhart Advisor's Chief Compliance Officer.

Other Services

In addition to providing investment advice, Everhart Advisors' IARs, in their capacity as insurance agents or registered representatives of Mid Atlantic Capital Corporation, Inc ("Mid Atlantic") may sell investment or insurance products to clients, including 529 plans, variable annuities and direct business with mutual fund companies. Clients are not obligated to buy such products through Everhart Advisors, but when they choose to do so Everhart Advisors will receive commissions and/or other compensation, including 12b-1 fees, in addition to our advisory fees.

Some clients may request only limited advice regarding a discreet aspect of the management of their financial resources. For these clients Everhart Advisors may offer services in a modular format or consulting services limited to those specific areas of concern. Such clients may be charged differently than our typical advisory clients.

Professional Referrals

Everhart Advisors may coordinate with other professionals retained by clients, such as accountants, insurance agents and attorneys. Upon request we may refer clients to other professionals. In either case, Clients should be aware that fees incurred with other professionals in connection with this process are not included as part of the advisory fees charged by Everhart Advisors, and we are not

responsible for, nor do we guarantee their advice or work product. Everhart Advisors does not provide legal advice and its representatives are not tax professionals.

In some cases the professionals to whom we refer clients are also clients of the firm. In other instances, the professionals to whom we refer clients may refer clients to us. This presents a conflict of interest insofar as Everhart Advisors has an incentive to make referrals to benefit us rather than the client. We seek to address this conflict by always placing our clients' interest first and referring to professionals we believe are well suited to meet the client's particular need. Clients are not obligated to retain professionals to whom they are referred by us. We do not enter into agreements that obligate us to make or trade referrals.

C. Consultation Agreements with Other Firms

In light of Everhart Advisors' expertise in the retirement plan arena we may also enter into agreements with other professionals, including law, accounting or other investment advisory firms to provide consulting services regarding retirement plan clients. Everhart Advisors will be paid a mutually agreeable fee for each consulting engagement, which will be specified in the engagement agreement executed prior to the initiation of any consultation services.

D. Termination of Agreement

Clients who wish to terminate their agreement with Everhart Advisors may do so by notifying us in writing. If services are terminated within 5 business days from the date of executing the agreement, services will be terminated without cost. After the initial 5 business days the client may be responsible to pay fees for the number of days services were provided 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 by either party, any prepaid but unearned fees will be reimbursed to the client based on the date of termination.

E. Assets Under Management

As of March 28, 2019, Everhart Advisors had approximately \$300,000,000 in discretionary assets under management and approximately \$120,000,000 in nondiscretionary assets under management. These amounts do not reflect assets under advisement held in retirement plans for which Everhart Advisors is the plan consultant.

Item 5 Fees and Compensation

A. Fees for Retirement Plan Services

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 is negotiable and will vary among different clients. Variable fees will range from .01% to 1.5% of plan assets. Factors that may be considered when determining the fee include without limitation the scope of services to be provided, the duration of the contract and the size of the client (number of employees, plan assets, and other demographic factors). Our fee, and how it is to be calculated, is specified in our agreement with each client. Clients may be required to pay a portion of the fee up front in the form of a retainer. Everhart Advisors pays a percentage of each client's fee to the IAR(s)

assigned to the client. There exists a conflict of interest in light of the IAR's incentive to negotiate a higher fee.

Until recently, fees were typically billed quarterly in advance and calculated based on the fair market value of plan assets as of the last business day of the prior quarter. In early 2019 we amended our retirement plan sponsor client agreement for new engagements to provide for fees to be billed quarterly in arrears based on the fair market value of plan assets as of the last business day of the quarter. We will seek to amend or replace old client agreements as appropriate. Clients may elect to have the fee deducted from their account or billed directly and due upon receipt of the invoice. Everhart Advisors does not reasonably expect to receive any other compensation, direct or indirect, for services provided to retirement plan sponsors.

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, or those charged to the plan by other service providers, such as recordkeepers and third-party administrators.

Lower fees for comparable services may be available from other financial services companies.

B. Fees for Wealth Management Services

Wealth management clients are typically charged an advisory fee calculated as a percentage of the value of the client's assets under management. The fee is negotiable and will vary among different clients. Fees are agreed upon by the client and their IAR. Various factors may be considered when negotiating the fee, including the scope of services to be provided and the complexity of the client's situation. Our fee, and how it is to be calculated, is specified in the written advisory agreement with each client. Everhart Advisors pays a percentage of each client's fee to the IAR(s) assigned to that client. There exists a conflict of interest in light of the IAR's incentive to negotiate a higher fee.

Generally, our fee is tiered according to the following schedule:

Assets	Fee Applied
\$0 to \$250,000	1.25%
\$250,001 to \$500,000	1.00%
\$500,001 to \$1,000,000	0.75%
\$1,000,001 to \$10,000,000	0.50%
Over \$10,000,000	0.25%

For instance, a client with \$750,000 in total assets is typically billed 1.25% on the first \$250,000, 1% on the next \$250,000 and .75% on the last \$250,000.

Fees are typically billed quarterly in advance and calculated based on the fair market value of the client's assets under management as of the last business day of the prior quarter. Unless otherwise specified in the advisory agreement, Everhart Advisors' fees will be automatically debited from the client's investment portfolio or another account held through Everhart Advisors.

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, or those charged to clients by product sponsors or qualified custodians.

Mutual funds charge their shareholders various fees and expenses, generally including a management fee, other fund expenses, sales charges and possibly a distribution fee. Everhart Advisors may recommend mutual funds that charge clients a 12b-1 fee. Such fees are in addition to fees charged for our advisory services. These fees create a conflict of interest to the extent they provide an incentive to recommend investments that pay them. However, neither Charles Schwab nor SEI shares 12b-1 fees with Everhart Advisors. Everhart Advisors further seeks to address this potential conflict of interest by making recommendations based solely on the client's best interest. Clients are encouraged to read the product prospectus to learn more about expenses imposed on the client by the product sponsors. We recommend clients address any questions or concerns they have with their IAR.

Qualified custodians, such as Schwab and SEI also charge our clients fees for their services. See Item 12 below. Fees charged by Schwab or SEI may be higher or lower than at other qualified custodians. Clients are responsible for paying fees imposed by the custodian. Clients may purchase investment products we recommend through other brokers or agents not affiliated with Everhart Advisors. Ticket charges may be applied by the custodian when certain classes of shares are selected. Ticket charges are often 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 over time.

Everhart Advisors' IARs are registered representatives of Mid Atlantic, a full-service broker-dealer. Mid Atlantic charges transaction fees, such as commissions or mark ups, which are in addition to our advisory fees. See Item 12 below. Commissions charged by Mid Atlantic may be higher or lower than at other broker-dealers. In their capacity as registered representatives, our IARs may purchase or sell securities, including variable annuities, securities in 529 plans and investments held directly at mutual funds or broker-dealer brokerage accounts for which they will receive normal and customary commissions and/or 12b-1 fees in addition to our advisory fees. This creates a conflict of interest between Everhart Advisors and the client insofar as we are incentivized to sell such products to receive additional compensation. Everhart Advisors seeks to address this conflict of interest by always making recommendations in the best interest of the client. Additionally, clients are not obligated to purchase or sell securities through Everhart Advisors and may instead implement our recommendations through entities unaffiliated with Everhart Advisors.

More information regarding our brokerage practices is found below at Item 12.

C. Fees for Other Services

Everhart Advisors' fee for other services is negotiable and may be based on a percentage of assets under management, an hourly rate, a flat fee or an annual retainer. Hourly rates range from \$200 to \$1,000 and are set forth in the client's agreement with Everhart Advisors. Everhart Advisors pays a percentage of each client's fee to the IAR(s) assigned to that client. There exists a conflict of interest in light of the IAR's incentive to negotiate a higher fee.

Item 6 Performance Based Fees

When based on the value of a client's assets, our fees will vary with investment gains or losses among other factors, but Everhart Advisors does not charge fees based on the performance of a client's investments.

Item 7 Types of Clients

Everhart Advisors provides investment advisory services to individuals, high net worth individuals, pension, retirement and profit-sharing plans and sponsors, trusts 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

Investment Philosophy

As noted above at Item 4, Everhart Advisors generally adheres to a buy and hold investment strategy as we believe in the underlying strength and long-term viability of the market economy. Volatility is inherent in the market system, but we believe it is counterproductive to chase short-term performance. Therefore, we do not try to time or outsmart the market. We invest prudently and encourage discipline. We generally prefer low upfront and ongoing expenses, stability, and appropriate diversification considering the client's risk tolerance and time horizon. We most frequently recommend investments in mutual funds and exchange-traded funds, or ETFs. Everhart Advisors creates model portfolios which may be recommended in appropriate cases, depending upon a client's specific circumstances.

Investment Analysis

When determining what investments to recommend we typically use outside sources such as Morningstar and other commercially available databases, financial newsletters and publications, and third-party research. We may consider fees and expenses, past performance, various statistical measurements, management styles and stability, and product sponsors, among other factors. We recently formed an investment committee that is charged with reviewing and approving for recommendation various mutual funds and ETFs. Other types of investments not considered by the committee will be recommended for clients in appropriate circumstances.

The process used to review investments for retirement plan sponsors is more elaborate and formalized due the requirements under ERISA. For these clients Everhart Advisors may review and compare investment costs and expenses, past performance relative to appropriate benchmarks, upside and downside capture, manager value measurements, objective risk and return statistical measurements such as Sharpe ratio, Treynor ratio, standard deviation, alpha, and beta; tenure, style and experience of management; financial strength, stability and reputation of the investment provider.

Everhart Advisors does not represent, warranty, or imply that the services or methods of analysis employed by it can or will predict future results.

Risk of Loss

Investing in securities involves the risk of loss of the entire principal amount invested and 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 offered two share classes, and the only meaningful difference between them was that one share class charged "12b-1 fees" and the other did 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 created a conflict of interest that was not adequately disclosed to the registered investment adviser's clients and 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 and www.adviserinfo.sec.gov, or on the web CRD and IARD filing systems.

Everhart Advisors sought to aggressively address the issues identified by the Commission. We upgraded our broker-dealer affiliation to Mid Atlantic. The compliance consultant we had relied upon was terminated, and an independent compliance consulting company was retained to perform compliance audits for 2016 and 2017. The firm also made significant investments in internal personnel to improve compliance programs and procedures. We hired an experienced interim Chief Compliance Officer to review and update all compliance policies and procedures as necessary. An attorney was hired as a permanent, full-time CCO. Everhart Advisors began using Charles Schwab as a qualified custodian of client assets, and Charles Schwab does not pay 12b-1 fees to Everhart Advisors, and thus, no potential conflict of interest exists when assets are held at Schwab. Assets held directly at mutual funds, annuities, 529 plans and broker-dealer brokerage accounts still pay 12b-1 fees.

In August 2016 the Ohio Division of Securities entered into a consent agreement with Lisa Block and issued a Cease and Desist Order relating to allegations that she indirectly received commissions from the sale of securities prior to being licensed to do so. Ms. Block agreed to refund \$27,638.83 in commissions to approximately 17 affected clients.

In December 2018 the Ohio Department of Insurance issued a Consent Order relating to Lisa Block's insurance license renewal application in which she failed to disclose the 2016 proceeding described above. Ms. Block was ordered to pay \$400 as a civil penalty and \$100 in administrative costs.

Item 10 Other Financial Industry Activities and Affiliations

Broker-Dealer

Everhart Advisors' IARs are registered representatives of Mid Atlantic, a full-service broker-dealer licensed under federal and state securities laws, located in Pittsburgh, Pennsylvania. Mid Atlantic is a member of FINRA and SIPC. Mid Atlantic charges transaction fees, such as commissions or mark ups, which are in addition to our advisory fees. Commissions charged by Mid Atlantic may be higher or lower than at other broker-dealers. In their capacity as registered representatives, IARs may purchase or sell securities, including variable annuities, securities in 529 plans and investments held directly at mutual funds or broker-dealer brokerage accounts for which they will receive normal and customary commissions and/or 12b-1 fees in addition to our advisory fees. This creates a conflict of interest between Everhart Advisors and the client insofar as we are incentivized to sell such products to receive additional compensation. Everhart Advisors seeks to address this conflict of interest by always making recommendations in the best interest of the client. Additionally, clients are not obligated to purchase or sell securities through Everhart Advisors and may instead implement our recommendations through entities unaffiliated with Everhart Advisors. Clients are encouraged to address any questions or concerns with their IAR or Everhart Advisor's Chief Compliance Officer prior to making investment decisions. See Item 12 below regarding our relationship with Mid Atlantic.

Qualified Custodians

Everhart Advisors requires clients to use a qualified custodian with whom we have established a relationship. Our clients use either Charles Schwab or SEI, both of which are unaffiliated with us. For a more detailed description of our relationship with each, see Item 12 below.

Insurance Sales

IARs may be licensed to sell insurance products. In their capacity as licensed insurance agents, IARs may sell insurance products to clients for which they will receive normal and customary commissions in addition to fees paid for advisory services. This incentive creates a conflict of interest between Everhart Advisors and the client. Everhart Advisors seeks to address this conflict of interest by always making recommendations in the best interest of the client. Also, Everhart Advisors' IARs are not exclusive agents for a specific insurance provider. Clients are not obligated to purchase insurance products through Everhart Advisors and may instead implement our recommendations through entities unaffiliated with Everhart Advisors. Clients are encouraged to address any questions or concerns with their IAR or Everhart Advisor's Chief Compliance Officer prior to purchasing insurance products.

Alternative Investments

Everhart Advisors' IARs may invest in the same investment vehicles recommended to clients, including "alternative investments" such as non-publicly traded limited partnerships and limited

liability companies. This presents a potential conflict of interest between the IAR and the client insofar as the IAR might benefit, as a co-investor, by the client's investment. Neither Everhart Advisors nor its IARs will receive sales-related compensation from the sponsor of any non-publicly traded investment.

Co-Advisor Agreement with Wealthstone, Inc.

Everhart Advisors entered into a Co-Advisor Agreement with Wealthstone, Inc, a registered investment advisor located in Columbus, Ohio. Pursuant to this Agreement, Wealthstone may refer its clients to us for retirement plan advisory services. We agreed to pay Wealthstone a percentage of the fees paid to us by such clients. This arrangement will not result in additional fees or increased costs to the referred clients.

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

Code of Ethics Summary

As an investment adviser, Everhart Advisors is considered a fiduciary and we owe a fiduciary duty to all clients. We must provide full and fair disclosure of all material facts and act in our clients' best interest at all times. This obligation to our clients is the underlying principle of our Code of Ethics and our insider trading and personal securities transactions policies and procedures. The required standard of conduct is higher than ordinarily required and encountered in commercial business. This is only a summary description of our Code of Ethics. If any client or potential client wishes to review our entire Code of Ethics, we will provide it upon request.

All persons associated with our firm must place our clients' interests ahead of their own when implementing personal investment transactions. Because we sincerely believe in our recommendations to clients, it is logical and even desirable that our employees and their immediate family members buy and sell securities being bought and sold by clients. See Item 10 above regarding Alternative Investments.

To prevent conflicts of interest we developed personal investment and trading policies and procedures applicable to employees and their immediate family members ("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 requested 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 is granted by the Chief Compliance Officer of Everhart Advisors

To monitor compliance, we conduct quarterly personal securities transaction reviews. Each year employees sign an acknowledgement that they have read and understand the Code of Ethics.

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 Everhart Advisors' IARs implement trades in their capacity as registered representatives, Mid Atlantic will be the broker-dealer used. In making their arrangements with Mid Atlantic, Everhart Advisors considered its reputation, resources and capabilities, officers and personnel, willingness to investigate new products and services, and its commission rates. Everhart Advisors is independently owned and operated and is not affiliated (i.e. owned by or under common ownership) with Mid Atlantic.

Everhart Advisors' IARs 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 it performs due diligence prior to selection. Mid Atlantic's registered representatives are required to utilize these products when implementing securities transactions through Mid Atlantic. Mid Atlantic provides certain compliance supervision on the business we process through Mid Atlantic. Mid Atlantic also provides Everhart Advisors with back-office, operational, technology, and other administrative support.

Mid Atlantic is compensated by charging clients commissions, mark ups or other transaction fees on trades it executes and is compensated for product sales by some product sponsors. Fees charged by Mid Atlantic are in addition to advisory fees charged by Everhart Advisors. Fees charged by Mid Atlantic may be higher or lower than fees charged by another broker-dealer.

Charles Schwab & Co., Inc.

Client assets under our management must be maintained in an account at a qualified custodian, generally a broker-dealer or a bank. Most of our clients use Charles Schwab, a registered broker-dealer, member SIPC, as the qualified custodian. Charles Schwab holds each client's assets in a brokerage account and buys and sells securities on the client's behalf when instructed to do so. While we require clients to use a qualified custodian with whom we have an established relationship, each client must decide whether to do so. Clients establish accounts with Charles Schwab by entering into an account agreement directly with Charles Schwab. In deciding to use Charles Schwab, Everhart Advisors considered its reputation, security and stability, resources and capabilities, the breadth of available investment products, the quality of its services, willingness to investigate new products and services, and its commission rates and fees. Everhart Advisors is not affiliated with Charles Schwab. Not all advisers require clients to use particular qualified custodians.

Charles Schwab is compensated by charging clients commissions or other transaction fees on trades it executes, or by charging a fee based on a percentage of the client's account value. Charles Schwab also earns interest on the uninvested cash in client accounts. Fees charged to our clients by Charles Schwab were negotiated based in part on the aggregate value or anticipated value of our clients' assets maintained at Charles Schwab. Fees charged by Charles Schwab are in addition to advisory fees charged by Everhart Advisors. Fees charged by Charles Schwab may be higher or lower than those charged by other qualified custodians.

SEI Private Trust Company

Some of our clients use SEI Private Trust Company, a federal savings association in Oaks, Pennsylvania, as a qualified custodian. SEI holds each client's assets in a brokerage account and buys and sells securities on the client's behalf when instructed to do so. While we require clients to use a qualified custodian with whom we have an established relationship, each client must decide whether to do so. Clients establish accounts with SEI by entering into an account agreement directly with SEI. In deciding to use SEI we considered the specialized products and services it offers, its reputation, resources and capabilities and fees. Everhart Advisors is not affiliated with SEI. Not all advisers require clients to use particular qualified custodians.

SEI is compensated by charging a fee based upon a percentage of the client's account value. SEI also earns interest on the uninvested cash in client accounts. SEI's fees were negotiated based in part on the aggregate value or anticipated value of our clients' assets maintained at SEI. Fees charged by SEI are in addition to advisory fees charged by Everhart Advisors. The fees charged by SEI may be higher or lower than those charged by other qualified custodians.

Best Execution

If Everhart Advisors implements any investment recommendation, we are responsible to ensure the client receives the best execution possible. Best execution means the most favorable terms based on all relevant factors, including many of the factors considered when choosing to use a particular broker-dealer. We have determined that using Mid Atlantic (in our IAR's capacity as registered representatives) and Schwab or SEI (as qualified custodian) is consistent with our duty to seek best execution. By requiring clients to use Mid Atlantic or a particular qualified custodian we may be unable to achieve the least expensive execution of client transactions.

Trade Errors

Everhart Advisors endeavors to prevent trade errors; however, trade errors 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. When a client causes the trade error, the client will be responsible for any resulting loss and expense. When a client does not cause the trade error, the client will be made whole and any loss resulting from the trade error will be absorbed by Everhart Advisors if the error was caused by us. If the error is caused by the broker-dealer, the broker-dealer will be responsible for covering all trade error costs. Depending on the specific circumstances, clients may not receive or retain gains generated as a result of the error. However, if possible and appropriate, gains earned as a result of a trade error may be retained by the client.

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, Charles Schwab and SEI make available to Everhart Advisors products and services that benefit Everhart Advisors but may not benefit clients. Some of these products and services assist Everhart Advisors in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmation and account statements); facilitation of trade execution; research, pricing information and other market data; and assistance with back-office functions such as billing, recordkeeping and client reporting. Mid Atlantic, Charles Schwab and SEI also make available to Everhart Advisors services that do not benefit clients but are intended to help Everhart Advisors manage and further develop its business enterprise. These services include consulting and education, publications and attendance at conferences. They may make available or pay for these services rendered to Everhart Advisors by third parties. Charles Schwab agreed to reimburse up to \$50,000 in technology-related expenses in two annual installments in 2018 and 2019, provided we maintain \$330 million in client assets at Charles Schwab. We intend to use this money to offset the cost of upgrading our subscription to Morningstar Office Suite which provides us with data used in connection with our investment decision-making responsibilities and to prepare our client account reviews.

Everhart Advisors' requirement that clients use Mid Atlantic, Charles Schwab or SEI creates a potential conflict of interest as the benefits provided by them create an incentive to require their use in order to avoid paying for such benefits rather than based on the clients' interest in receiving the best services and trade execution. We believe, however, that our relationships with Mid Atlantic, Charles Schwab and SEI are in the best interest of our clients for the reasons described above.

Block Trading

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 rarely engages in block trading when mutual fund share classes are being exchanged for multiple clients, or when a model portfolio is rebalanced, reallocated or adjusted. It should be noted that implementing trades on a block or aggregate basis may be less expensive; however, we typically implement client orders on an individual basis. Considering our general investment philosophy and the types of investments typically held in our clients' accounts, we do not believe clients are hindered 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

Everhart Advisors seeks to conduct in-person, telephonic or remote conferencing account reviews with fee-paying advisory clients on an annual basis. We do not seek to review accounts of

transactional clients who simply purchased a product through us and who do not pay us an advisory fee. Periodic account reviews are conducted for all clients as individual circumstances dictate, and whenever clients request them. Such reviews typically include the client's personal and financial situation, as well as their objectives, investment strategy and portfolio allocation. Investment changes are recommended where appropriate. Everhart Advisors generally seeks to educate clients during these reviews regarding the financial markets, our philosophy and investment discipline. Reviews are conducted by an appropriately licensed IAR. In addition to account reviews with clients, we also routinely monitor, adjust and rebalance model portfolios, and review client portfolios for excess cash and for opportunities to upgrade mutual fund share classes. These processes may be performed by IARs, Client Relationship Managers or other supervised personnel.

Statements and Reports

Clients are provided transaction confirmation notices and quarterly account statements directly from the qualified custodian. Clients are encouraged to compare information provided by us to that provided on the account statements received from the qualified custodian. Clients should contact us or the qualified custodian preparing the account statement with any questions.

Item 14 Client Referrals and Other Compensation

Referral Agreements

Everhart Advisors may enter into agreements with third parties to refer clients to Everhart Advisors. When a client is referred to Everhart Advisors pursuant to such an agreement, a referral fee will be paid to the referring party based upon a percentage of the advisory fees generated. Referral agreements between any referring party and Everhart Advisors will not result in increased costs to clients.

When a client is referred to us by a referring party, the referring party will provide the client a copy of our Disclosure Brochure and any applicable ADV Part 2B Brochure Supplements. The client also will complete a Solicitor's Disclosure Statement for the referring party. If the referring party is an unaffiliated registered investment adviser firm, the client will also receive a copy of the referring party's Form ADV Part 2 Disclosure Brochure from them.

Everhart Advisors has a Co-Advisor Agreement with Wealthstone, Inc. which is described at Item 10 above.

Employee Referrals

Everhart Advisors pays 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 arrangement does not result in higher fees or any additional cost for the client.

Professional Referrals

Upon request we may refer clients to other professionals, such as lawyers, accountants and insurance agents. In some cases, the professionals to whom we refer clients are also clients of the firm. In other instances, the professionals to whom we refer clients may refer clients to us. This presents a conflict

of interest insofar as Everhart Advisors has an incentive to make referrals to benefit us rather than the client. We seek to address this conflict by always placing our clients' interest first and referring to professionals we believe are well suited to meet the client's particular need. We do not enter into agreements that obligate us to make or trade referrals.

12b-1 Fees

Ongoing commissions are, in some circumstances, paid to Everhart Advisors by sellers of mutual funds under 12b-1 plans. These fees are in addition to the advisory fees paid by clients. For instance, such fees are paid to Everhart Advisors on investments held in 529 plans and investments held directly with mutual fund companies. 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 present a conflict of interest insofar as IARs are incentivized to recommend mutual funds that pay them. Everhart Advisors seeks to address this conflict by most often utilizing Charles Schwab and SEI as the qualified custodians of client assets as neither pays such fees to Everhart Advisors or its IARs, and by making recommendations based on our clients' best interest. See Items 10 and 12 above regarding our relationships with Mid Atlantic, Charles Schwab and SEI.

Item 15 Custody

Custody, as it applies to investment advisors, has been defined as having access or control over client funds or securities. Custody in this context is not limited to physically holding client funds or securities. Discretionary trading authority is not deemed to be custody.

Everhart Advisors is deemed to have custody of client assets when it has authority to deduct its fees directly from a client's accounts. Additionally, Everhart Advisors is deemed to have custody of client assets where the client has authorized us to direct the transfer of funds from client accounts to third parties at the client's direction. Nevertheless, we do not undergo a surprise audit as we and the qualified custodians with which we have a relationship comply with the "safe harbor" established by the SEC's February 2017 no-action letter relating to the Custody Rule.

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 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. Account statements are delivered directly from the broker-dealer or qualified custodian to each client at least quarterly. Clients should carefully review those statements and are urged to compare the statements against any information received from Everhart Advisors. If clients have questions about their account statements, they should contact us or the party preparing the statement. We are not liable to clients for any act or omission by a broker-dealer or qualified custodian.

Everhart Advisors does not have custody of assets of any retirement plan sponsor client.

Item 16 Investment Discretion

Clients may grant Everhart Advisors discretionary trading authorization, in writing, as part of their advisory agreement with Everhart Advisors. If granted discretionary authority we may buy or sell investments for the client's account without additional, prior approval. Everhart Advisors may determine what security to trade, in what amounts and at what price. Clients will receive written or electronic confirmations of all trades.

For clients who do not grant us discretionary trading authority we are 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 and whether to buy or sell. Once the above factors are agreed upon, we will be responsible for making decisions regarding the timing of the trade and the price at which the investment is bought or sold. Where we do not have discretion, clients need to know that if we are unable to reach them, or they are slow to respond to our requests, it may have an adverse impact on the timing of trades and we may not achieve the optimal price. As provided in our advisory agreement with clients, we may make limited trades to replenish cash available to pay advisory fees. This does not constitute discretionary authority.

Everhart Advisors does not and cannot guarantee the result of any trade or investment and losses may be incurred.

Clients may place reasonable restrictions on the types of investments that may be purchased in their account by providing written notice to Everhart Advisors. Clients may also place reasonable limitations on the discretionary power granted to Everhart Advisors so long as the limitations are specifically set forth in writing as part of the client agreement.

Item 17 Voting Client Securities

Everhart Advisors does not vote proxies on behalf of clients. It is the client's responsibility to vote all proxies for securities held in their accounts should they choose to do so. Clients will receive proxy materials directly from the qualified custodian or transfer agent; we do not provide clients with proxy materials. Clients are encouraged to read through the information provided with the proxy-voting documents and make a determination based on this 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. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to our clients. Everhart Advisors has never been the subject of a bankruptcy petition.