



## **Everett Wealth Solutions, Inc.**

407 Marengo Avenue – Forest Park – IL 60130

### **Firm Brochure**

(Part 2A) March 1, 2018

This Brochure provides information about the qualifications and business practices of Everett Wealth Solutions, LLC. If you have any question about the contents of this Brochure, please contact Chris Everett-Frantonius at (708)771-7777 or by email at: [Chris@EverettWealthSolutions.com](mailto:Chris@EverettWealthSolutions.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.

Everett Wealth Solutions, Inc. is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training.

Additional information about Everett Wealth Solutions, Inc., is available on the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. EWS's CRD number is 151725.

## **ITEM 2. MATERIAL CHANGES**

### **Material Changes since the Last Update.**

There are no material changes to report.

### **Item 3. Table of Contents**

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## **ITEM 4. ADVISORY BUSINESS**

### **Firm Description**

Everett Wealth Solutions, Inc. (“EWS”) was founded in 2010 by Christine M. Everett-Frantonius. The firm was incorporated under the laws of the State of Illinois. Ms. Everett-Frantonius is sole owner of the corporation. Currently, EWS employs four people including Ms. Everett-Frantonius. EWS is registered with the State of Illinois as a Registered Investment Advisor. Additional information about Chris Everett-Frantonius can be found under Item 19 along with her Supplemental Brochure.

EWS provides fiduciary level of advice for both Retirement Planning and College Financial planning. Financial services include, but are not limited to, identification of financial problems, cash flow and budget management, tax planning, risk exposure review, investment management, retirement and education funding, estate planning, charitable goals, special needs planning, family business succession issues, fringe benefits and other client-specific issues. College Financial Planning includes services to help parents minimize the cost of college and help students with best fit college selection, major and career planning.

EWS is strictly a fee-only financial planning and investment management firm. EWS does not sell annuities, insurance or other commissioned products. No commissions in any form are accepted. No finder’s fees are accepted.

The initial consultation/phone conversation is done at no cost to the client as it is considered and introductory review of a client’s then current financial situation.

The 4-Step Review Process is a comprehensive financial planning tool. The goal of the process is to review and align a client’s income, assets and protection components to a client’s stated goals and needs. EWS uses our fee-based model to help develop a more comprehensive financial path as a personal wealth solution utilizing the following:

1. **DISCOVERY**: During the discovery phase, EWS helps clients to identify the unnecessary wealth transfers in your life. A wealth transfer is money you are unintentionally losing. Once identified, you can consider other options for those dollars.
2. **UNDERSTAND**: During the understanding phase, EWS will review along with the client the impact (positive or negative) of ongoing financial decisions.
3. **CHOICE**: During the choice phase, the client and EWS invest time to help the client develop better habits in their day-to-day financial decisions.
4. **IMPLEMENTATION**: During after the implementation phase, the client is successfully empowered to make and discern better choices in their on-going financial needs choosing to utilize the 4-Step Review Process in the everyday life.

Advisory services offered by EWS include financial planning and investment supervisory services known collectively as asset management. EWS offers direct discretionary asset management services to advisory clients. EWS offers clients ongoing portfolio management services by reviewing individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, asset allocation, portfolio monitoring and the overall investment program will be based on the above factors. The client will provide EWS with discretionary authority to execute selected invest program transactions as stated within the Investment Advisory Agreement.

Engagement of EWS also includes implementation assistance of recommendations accepted by the client, unlimited telephone support, meetings as required, on-going financial planning services, reminders of specific courses of action that need to be taken, and quarterly, semi-annual or annual reviews as negotiated with each client. More frequent reviews may occur, but are not necessarily communicated, to the client unless immediate changes are recommended.

When deemed appropriate, EWS may hire sub-advisors to manage all or a portion of the assets in the client's account. EWS has full discretion to hire and fire sub-advisors as they deem suitable. Sub-advisors agree to maintain the models or investment strategies described in the sub-advisory agreement with EWS. Sub-advisors execute all trades in client accounts on behalf of EWS. EWS is responsible for maintaining the client. EWS retains the authority terminate the sub-advisor relationship at its discretion.

In performing its services, EWS is not required to verify any information received from the client's other professionals. Each client is advised that it remains their responsibility to promptly notify EWS when there is a change in their financial situation and/or financial objectives which may prompt a review and evaluation of previous recommendations and/or services.

From time to time, EWS may recommend the services of other professionals (for example: lawyers, accountants, insurance agents, real estate agents, mortgage brokers, etc.) at the request of the client. Other professionals are engaged directly by the client on an as-needed basis even when recommended by EWS. Any conflicts of interest will be disclosed to the client and managed in the best interest of the client.

Clients and prospective clients receive a written assessment based on the information they provide and are discussed with EWS. Periodic reviews are conducted to assist clients in achieving their stated goals. Additionally, EWS may conduct more frequent account reviews on an as needed basis, however, the review may not be immediately communicated to the client unless immediate changes are required or recommended.

### **Assets Under Management**

As of December 31, 2017, EWS has approximately \$4,802,041 in regulatory assets under management for approximately forty clients on a discretionary basis.

## Tailored Relationships

At EWS, advisory services are tailored to the individual needs of clients. Client goals and objectives are clarified in meetings and via correspondence, and are used to determine the course of action for each individual client. The goals and objectives for each client are documented in our client relationship management system and in client files, either in hard copy or in electronic files.

Clients may impose restrictions on investing in certain securities or types of securities. This must be done in writing and be signed by the client and EWS.

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

### Financial Planning Fees

The EWS financial planning fee is predicated upon the facts known at the start of the engagement. The current fee range is \$1,500 to \$5,000, and is negotiable.

Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or situations. In the event the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for by the mutual agreement of the parties. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

Financial planning fees are billed 50% in advance, with the balance due upon delivery of the financial plan.

### Investment Advisory/Asset Management Fees

EWS offers discretionary asset management services to advisory clients. The fees for these services will be based on a percentage of the Assets Under Management as follows;

<b>Discretionary Management - Interactive Brokers</b>	
<u>Assets Under Management</u>	<u>Fee</u>
Of First \$1,000,000	1.50%
Of Next \$1,000,000	0.95%
<b>Discretionary Management - Fidelity</b>	
<u>Assets Under Management</u>	<u>Fee</u>
Of First \$1,000,000	1.90%
Of Next \$1,000,000	0.95%

<b>Discretionary Management - Betterment</b>	
<u>Assets Under Management</u>	<u>Fees</u>
Of First \$1,000,000	0.75%
Of Next \$1,000,000	0.55%

Accounts within the same household may be combined for a reduced fee. Fees are billed quarterly in arrears based on the amount of assets managed as of the close of business on the last business day of each quarter. Quarterly advisory fees deducted from the client account by the custodian will be reflected in the brokerage statement, as well as a fee invoice from EWS. Lower fees for comparable services may be available from other sources. Accounts opened within a given quarter are charged a pro rata share at the end of the current quarter. Client shall pay the investment advisory fee within ten (10) days following the end of the quarter being billed.

### **Asset Management**

Assets are invested through institutional money manager relationships that utilizes various investment vehicles such as equities (stocks), bonds, and exchange-traded funds. Investments may also include: corporate debt securities, commercial paper, municipal securities, mutual funds shares, U. S. government securities and options, and master limited partnerships.

### **Other Fees**

The account custodian, Interactive Brokers, Fidelity or Betterment, may charge transaction fees on purchases or sales of the investment vehicles used to create your portfolio. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

### **Expense Ratios**

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.50% for their services. These fees are in addition to the fees paid by you to EWS, Fidelity or Betterment, as custodian.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

### **Termination of Agreement**

Either the client or EWS may terminate the advisory agreement at any time, without penalty, by providing written notice to the other party. Upon the termination of any agreement, any prepaid, unearned fees will be promptly returned. Termination of an agreement will not affect (a) the validity of any action previously taken by EWS under the agreement; (b) liabilities or obligations of the parties from transactions initiated before termination of the agreement; or (c) the client's obligation to pay advisory fees (pro-rated through the date of termination). Upon the termination of the agreement, EWS will have no obligation to recommend or take any action with regard to the securities, cash or other investments in a client's account.

EWS reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in EWS's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within thirty days.

### **ITEM 6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

EWS does not charge any performance-based fees (fees calculated on a share of capital gains on or capital appreciation of the assets of the client). All fees are calculated as described above and are not charged on the basis of income or capital gains or capital appreciation of the funds or any portion of the funds of an advisory fee.

### **ITEM 7. TYPES OF CLIENTS**

#### **Description**

EWS generally provides retirement/financial planning, college planning and investment management advice to individuals, high net worth individuals, families and their related entities, trust and estates, and small businesses.

#### **Account Minimums**

The minimum account size for Interactive Brokers is \$50,000; Fidelity is \$100,000 of assets under management, which equates to an annual fee of \$825 and \$1,900 respectively. When a client's account falls below \$50,000 in value, the minimum annual fee will be charged. EWS has the discretion to waive the account minimum.

For those accounts valued at less than \$50,000, EWS utilizes the custodial services of



Betterment which equates to a fee of \$375, unless the client and EWS anticipate the clients' accounts rising to a total of greater than or equal to \$50,000 within a reasonable time (90-120 days).

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

<sup>[1]</sup><sub>SEP</sub> Security analysis methods may include fundamental analysis, technical analysis, and cyclical analysis. Investing in securities involves risk of loss that clients should be prepared to bear. Past performance is not a guarantee of future returns.

Fundamental analysis involves evaluating a stock using real data such as company revenues, earnings, return on equity, and profits margins to determine underlying value and potential growth. Technical analysis involves evaluating securities based on past prices and volume. Cyclical analysis involves the cycles of the market.

From time to time, EWS will recommend the use of a Third Party Asset Manager. Third Party Asset Managers utilized by EWS may use various methods of analysis to determine the proper strategy for a referred client and this will be disclosed in their Form ADV Part 2. Investing in securities involves risk of loss that clients should be prepared to bear. Past performance is not a guarantee of future returns.

In developing a financial plan for a client EWS's analysis may include cash flow analysis, investment planning, risk management, tax planning and estate planning. Based on the information gathered, a detailed strategy is tailored to the client's specific situation.

The main sources of information include client documents such as tax returns and insurance policies, financial newspapers and magazines, annual reports, prospectuses, and filings with the Securities and Exchange Commission.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change their objectives at any time. Each client executes an Investment Policy Statement, Risk Tolerance or similar form that documents their objectives and their desired investment strategy.

### **Security Specific Material Risks**

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investments risks and should discuss these risks with Elite:

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

2. Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

3. Inflation Risk: When any type of inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the rate of inflation.

4. Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

5. Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

6. Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate profit. They carry a higher risk of profitability than an electric company which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

7. Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

8. Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## **ITEM 9. DISCIPLINARY INFORMATION**

### **Legal and Disciplinary**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of EWS or the integrity of EWS's management. EWS has no information applicable to this item.

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

EWS is not affiliated with a broker-dealer, futures or commodities broker.

### **Other Industry Affiliations:**

Ms. Everett-Frantonius is an independent insurance agent of Everett & Associates, Inc. Ms. Everett-Frantonius may recommend insurance products to the firm's clients. Ms. Everett-Frantonius spends approximately 50% of her time on this activity. This service pays her commissions that are separate and distinct from the investment advisor fees outlined in Item of the Firm's ADV Part 2A. This is a conflict of interest because it creates a financial incentive to recommend this service. However, Ms. Everett-Frantonius attempts to mitigate any conflicts of interest to the best of her ability by placing the client's

interests ahead of his own and through the implementation of policies and procedures that address the conflict. Additionally, the client is never obligated to purchase any insurance products from Ms. Everett-Frantonius and are free to purchase the same of similar products from another insurance provider.

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

### **Code of Ethics**

EWS's Code of Ethics establishes ideals for ethical conduct upon fundamental principles of openness, integrity, honesty, and trust. EWS will provide a copy of its Code of Ethics to any client or prospective client upon request.

EWS's Code of Ethics covers all supervised persons and it describes its high standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor-mongering, restrictions on the acceptance of significant gifts and the reporting of certain and business entertainment items, and personal securities trading procedures, among other things. All supervised persons of EWS must acknowledge the terms of the Code of Ethics annually, or as amended.

### **Material Interest in Securities**

EWS does not have a material interest in any securities.

### **Personal Trading**

Employees of EWS do not buy or sell for their own accounts the same securities that are recommended to clients. Records of all associates' personal trading activities are kept, reviewed by EWS principals, and available to regulators to review on the premises.

## **ITEM 12. BROKERAGE PRACTICES**

### **Selecting Brokerage Firms**

EWS does not have any affiliation with product sales firms and only utilizes Fidelity and Betterment as custodian for client assets.

### **Best Execution**

EWS relies on the best execution practices of Fidelity, Betterment and the professional money managers selected.

### **Research and Soft Dollars**

“Soft dollars” are defined as a form of payment investment firms can use to pay for goods and services such as news subscriptions or research. When an investment firm gives its

business to a particular brokerage firm, the brokerage firm in return can agree to use some of its revenue to pay for these types of services. EWS does not receive soft dollars

### **Brokerage for Client Referrals**

EWS does not receive client referrals or any other incentive from any broker-dealer or custodian.

### **Directed Brokerage**

EWS does not trade client accounts. This section is not applicable.

### **Trade Aggregation**

EWS does not trade client accounts. This section is not applicable.

## **ITEM 13. REVIEW OF ACCOUNTS**

### **Periodic Reviews**

Ms. Everett-Frantonius attempts to perform monthly reviews of client accounts. Ms. Everett-Frantonius also attempts to meet with each client in person or by telephone at least annually.

### **Other Reviews**

Reviews may also be triggered by events within clients' lives, as well as pertinent news events, changes in federal and state regulatory or tax laws and/or overall economic events.

### **Reports**

Clients will receive statements, not less than quarterly, from their account custodian.

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

### **Other Compensation**

EWS receives a portion of the annual management fee collected by the Third-Party Adviser to whom EWS refers clients.

### **Client Referrals**

EWS does not pay for client referrals or use solicitors.

## **ITEM 15. CUSTODY**

EWS does not take custody of client assets or funds. Client assets will be maintained by an unaffiliated, qualified custodian, such as a bank or broker/dealer, as chosen by either EWS or the Third-Party Adviser responsible for portfolio management services. EWS

acknowledges that it is deemed to have constructive custody solely because advisory fees are deducted directly from the client's accounts by the custodian on behalf of EWS.

### **Net Worth Snap-Shots**

Clients are offered access to The Living Balance Sheet<sup>©</sup> (LBS) that provides account aggregation and updated account values each day. There is no fee to have access to the Living Balance Sheet<sup>©</sup> in the first year. LBS is used for short and long-term financial planning where the exact values of assets can be very helpful.

The Living Balance Sheet<sup>®</sup> and the Living Balance Sheet<sup>®</sup> Logo are registered service marks of The Guardian Life Insurance Company of America (Guardian), New York, NY.

The Living Balance Sheet<sup>®</sup> displays the financial holdings identified by the client based upon information and valuations provided directly by the client or by electronic feeds from the client's financial institutions. Valuations provided by electronic feeds reflect the most current information provided by the financial institution as of the date and time noted, but can reflect valuations from an earlier date and time.

### **ITEM 16. INVESTMENT DISCRETION**

IN some cases, EWS accepts discretionary authority to manage securities accounts on behalf of clients. EWS has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, EWS consults with the client prior to each trade to obtain agreement if discretionary trading authority has not been given.

EWS does not receive any portion of the transaction fees or commissions paid by the client to the custodian for trades.

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

EWS does not vote proxy solicitations for securities held in client accounts. All proxy solicitations are forwarded directly to the client for voting. A client may contact EWS with questions should they arise.

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

Registered investment advisors are required in this Item to provide you with certain financial information or disclosures about their financial condition. EWS has never been the subject of a bankruptcy proceeding, and, as of the date of this Brochure, is not aware of any contractual or fiduciary commitments that are likely to impair its ability to meet all contractual commitments to clients.

### **ITEM 19. BUSINESS CONTINUITY PLAN**

EWS is committed to safeguarding the interests of its clients in the event of an emergency or a significant business disruption. The comprehensive business continuity strategy is designed to work in the wake of many different emergency situations. In the event of either an internal or external business disruption, EWS will take all reasonable steps to continue to serve its clients, including from remote locations.

In addition, EWS periodically backs up client related data, which may be accessed remotely. All client transactions and other related account information are maintained separately by a non-affiliated custodian.

## **ITEM 20. PRIVACY POLICY NOTICE**

EWS maintains an information security program to reduce the risk that your personal and confidential information may be breached. Every EWS computer is encrypted.

### **Privacy Notice**

EWS is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required

by law to deliver this Privacy Notice to you annually, in writing.

**ITEM 21. REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

EWS has one principal executive officer (management person), Chris Everett-Frantonius. Ms. Everett- Frantonius's biographical information is provided in the attached Brochure Supplement document.

Under Other Industry Affiliations (Item 10) above, Ms. Everett-Frantonius discloses she is an independent insurance agent and may receive commissions for the sale of insurance products. These activities and any conflicts of interest associated with them are discussed in Item 10.

Ms. Everett-Frantonius is also required to disclose additional information if she receives performance-based fees, has any relationship or arrangement with an issuer of securities, or was ever found liable in an arbitration, civil, self-regulatory organization or administrative proceeding. As of the date of this Brochure, no additional disclosure is required.