



**Everett Wealth Solutions, Inc.**

407 Marengo Avenue – Forest Park – IL 60130

Form ADV Part 2A

Firm Brochure

This brochure provides information about the qualifications and business practices of Everett Wealth Solutions, LLC. If you have any questions about the contents of this brochure, please contact Christine M. 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.

Dated: May 28, 2020

## **ITEM 2. MATERIAL CHANGES**

There are no material changes to report.

### **ITEM 3. TABLE OF CONTENTS**

|          |  |    |
|----------|--|----|
| Item 1.  | Cover Page   | 1  |
| Item 2.  | Material Changes                                     | 2  |
| Item 3.  | Table of Contents                                    | 3  |
| Item 4.  | Advisory Business                                    | 4  |
| Item 5.  | Fees and Compensation                                | 5  |
| Item 6.  | Performance Based Fees and Side-By-Side Management   | 7  |
| Item 7.  | Types of Clients                                     | 7  |
| Item 8.  | Methods of Analysis, Investment Strategies           | 7  |
| Item 9.  | Disciplinary Information                             | 9  |
| Item 10. | Other Financial Industry Activities and Affiliations | 9  |
| Item 11. | Code of Ethics                                       | 10 |
| Item 12. | Brokerage Practices                                  | 10 |
| Item 13. | Review of Accounts                                   | 11 |
| Item 14. | Client Referrals and Other Compensation              | 11 |
| Item 15. | Custody  | 11 |
| Item 16. | Investment Discretion                                | 11 |
| Item 17. | Voting Client Securities                             | 11 |
| Item 18. | Financial Information                                | 12 |
| Item 19. | Requirements for State-Registered Advisers           | 12 |

## **ITEM 4. ADVISORY BUSINESS**

### **Firm Description**

Everett Wealth Solutions, Inc. (“EWS”) was founded in 2010 by Christine M. Everett-Frantonius. EWS is incorporated under the laws of the state of Illinois. Ms. Everett-Frantonius is sole owner of the corporation. EWS is an Illinois registered investment advisor. Additional information about Christine M. Everett-Frantonius may be found in Item 19, along with the supplemental brochure, ADV Part 2B.

EWS provides fiduciary advice in the areas of Financial Planning, Retirement Planning and College Financial Planning. These services include the identification of financial problems, cash flow and budget management, tax planning, risk exposure review, investment management, retirement funding, charitable goals, special needs planning, family business succession issues and other client-specific issues upon request. 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 a fee-only financial planning and portfolio management firm. EWS does not sell annuities, insurance or other commissioned products. No commissions in any form are accepted. EWS does not pay or accept finder’s fees.

In performing its services, EWS does not verify any information received directly from the client or the client’s other professional service providers.

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. Those professionals are engaged directly by the client on an as-needed basis. Any conflicts of interest will be disclosed to the client and managed in their best interests.

Advisory services offered by EWS include financial planning and investment supervisory services known collectively as asset management.

Financial Planning: EWS utilizes a 4-Step Review Process as a comprehensive financial planning tool. The goal of the Process is to review and align the income, assets and protection components to the client’s stated requirements and goals. The 4-Step Review Process develops a more comprehensive financial path as a personal wealth solution utilizing the following steps:

1. **DISCOVER:** During the discovery phase, EWS helps its clients to identify the unnecessary wealth transfers in their life. A wealth transfer is money someone is unintentionally losing. Once an unnecessary wealth transfer is identified, EWS helps its clients consider better options for those dollars.
2. **UNDERSTAND:** During the understanding phase, EWS and the clients review the impact, both positive and negative, of their ongoing financial decisions.
3. **CHOICE:** In the choice phase, EWS and the client invest time to discuss ways the client can select the most appropriate strategy to implement in order to achieve their goals.
4. **IMPLEMENTATION:** The implementation phase empowers client’s to successfully make and discern better choices with their on-going financial needs by utilizing this 4-Step Review Process in the everyday life.

Portfolio Management: EWS is a discretionary portfolio manager. EWS's offers ongoing portfolio management services includes reviewing individual investment goals, time horizons, investment objectives, and investment risk tolerance. Investment strategies, investment selection, asset allocation, portfolio monitoring and the overall investment program are based on these factors. The client provides EWS with discretionary authority to execute selected invest program transactions as stated in the Investment Advisory Agreement.

Other EWS services include implementation assistance of recommendations, unlimited telephone support, meetings as needed or required, ongoing financial planning, reminders of specific courses of action the client needs to implement, and regularly scheduled reviews as negotiated with the client. EWS may conduct more frequent reviews which may not always be communicated to the client unless immediate changes are recommended.

When appropriate, EWS may hire a sub-advisor or sub-advisors to manage all or a portion of the client's assets. EWS has discretion to hire and fire any sub-advisor as it deems suitable. All sub-advisors engaged by EWS agree to maintain the models or investment strategies described in the sub-advisory agreement. Sub-advisors are responsible for executing all trades in client accounts they manage.

#### **Assets Under Management**

As of December 31, 2019, EWS had \$5,495,194 in regulatory assets under management.

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

Clients are offered access to a client portal to view a balance sheet snapshot of their net worth. This is included for all financial planning clients in year one. To continue receiving access to the client portal, clients may pay an ongoing fee.

#### **Investment Restrictions**

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

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

#### **Financial Planning Fees**

EWS's financial planning fee is predicated upon the facts known at the start of the engagement. The financial planning fee typically ranges between \$2,499 and \$3,999 depending on the scope of the plan. Financial planning fees may be negotiable on a client-by-client basis.

Since financial planning is a discovery process, situations may occur where 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 may be agreed to by the parties. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

EWS will conduct an initial consultation at no charge. An initial fee of \$499 is due when the financial planning agreement is executed. The remaining balance is due upon delivery of the completed plan or as otherwise agreed to by EWS and the client.

#### **Investment Advisory/Portfolio Management Fees**

EWS offers discretionary portfolio 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> |
| First \$1,000,000                                     | 1.25%      |
| Greater than \$1,000,000                              | 1.00%      |

| <b>Discretionary Management - Betterment</b> |             |
|--|-------------|
| <u>Assets Under Management</u>               | <u>Fees</u> |
| First \$1,000,000                            | 0.65%       |
| Greater than \$1,000,000                     | 0.50%       |

\* Lower fees for comparable services may be available from other sources.

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 a qualified custodian will be reflected in the brokerage statement. Accounts opened within a given quarter are charged a pro rata share at the end of the current quarter. Advisory fees are due within ten (10) days following the end of the quarter for clients who elect to pay directly.

### **Other Fees**

The third-party qualified custodians used by EWS, presently, Interactive Brokers or Betterment, charge custodial fees and may charge for trade execution.

### **Expense Ratios**

Mutual Funds and Exchange Traded Funds (“ETF’s”) charge management fees for their services. The management fee is calculated as an expense ratio. Expense ratios are shown in basis points. An expense ratio of 0.50 is equivalent to 0.50% on a percentage basis. Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

### **Termination of the Client Agreement**

Either party may terminate a financial planning or investment 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; (b) the liabilities or obligations of the parties from transactions initiated before notice of the termination was received; or (c) the client’s obligation to pay any outstanding fees (pro-rated through the date of termination). Upon the termination of an agreement, EWS will have no obligation to recommend or take any action with regard to the securities, cash or other investments in the client’s account.

To terminate either agreement, the client must notify EWS, in writing, at: Everett Wealth Solutions, Inc., 407 Marengo Avenue, Forest Park, IL 60130.

EWS reserves the right to terminate any financial planning engagement when it believes the client has willfully concealed or has refused to provide pertinent information about their financial situation. 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 performance-based fees (fees calculated on a share of capital gains on or capital appreciation of the assets of the client). Advisory fees are not calculated based on the income, capital gains or capital appreciation in client accounts.

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

### **Description**

EWS provides financial/retirement 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**

Account size minimums are based on the minimum amount of managed assets required to maintain an account with EWS. Presently, the minimum account size for Interactive Brokers is \$5,000 and Betterment has no account minimum requirements.

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

In general, security analysis methods used by investment managers 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.

EWS does not provide direct portfolio management services. EWS does recommend sub-advisor for portfolio management services. A sub-advisor engaged by EWS may use various methods of analysis to determine what investment securities to purchase, their specific analytical methodology will be disclosed in their Form ADV Part 2A, or similar disclosure materials. 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 investment objective at any time. The EWS Investment Advisory Agreement has a section where the investment objective and risk tolerance of the client are agreed to by the parties.

### **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 EWS and their third-party asset manager:

- *Interest-rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- *Market Risk:* The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- *Inflation Risk:* When any type of inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the rate of inflation.
- *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.
- *Reinvestment Risk:* This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- *Business Risk:* These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- *Liquidity Risk:* Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- *Financial Risk:* Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- *Options Trading:* The risks involved with trading options are that they are very time sensitive investments. An options contract is generally a few months. The buyer of an option could lose his or her entire investment even with a correct prediction about the direction and magnitude of a particular price change if the price change does not occur in the relevant time period (i.e., before the option expires). Additionally, options are less

tangible than some other investments. An option is a “book-entry” only investment without a paper certificate of ownership.

- *Leveraged Risk:* The risks involved with using leverage may include compounding of returns (this works both ways – positive and negative), possible reset periods, volatility, use of derivatives, active trading and high expenses. Leveraged investments are not for long-term investors or buy and hold strategies.
- *Security Specific Risk:* The risks associated with exchange-traded securities, ETF’s, Treasury securities and cash equivalents. Risks associated with ETF’s include all of the above risks with respect to the underlying securities held in the ETF. In addition, an ETF may be subject to increased liquidity risk if the underlying investments become illiquid or valuation becomes difficult. Tax risk is increased since the ETF manager solely determines when underlying investment are sold causing a taxable event to the ETF shareholders. Other potential risks include a nominal trading risk since unlike a mutual fund which has a set end of day NAV, ETF’s must be traded in the market and trading expenses may diminish returns. An ETF may be shut by the sponsor without notice resulting in the liquidation of the ETF resulting in reinvestment risk.

Investing in securities involves risk of loss that clients should be prepared to bear. Past performance is not a guarantee of future returns.

## **ITEM 9. DISCIPLINARY INFORMATION**

### **Legal and Disciplinary**

Investment advisors are required to disclose all material facts regarding any legal or disciplinary events that may be material to your evaluation of EWS and its management.

- 1.) EWS and its management have not been involved in any criminal or civil actions.
- 2.) EWS and its management have not been involved in administrative enforcement proceedings.
- 3.) EWS and its management have not been and are not currently involved in any self-regulatory organization proceedings.
- 4.) EWS and its management have not been involved in legal or disciplinary events related to past or present investment clients.

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

EWS is not affiliated with any broker-dealer or futures or commodities broker. EWS does not receive any solicitation fees or commissions from any third-party asset manager or sub-advisor.

### **Other Industry Affiliations**

Christine M. Everett-Frantonius is an independent insurance agent with Everett & Associates, Inc. Everett & Associates, Inc. is an affiliate of EWS. Ms. Everett-Frantonius may recommend insurance products to EWS clients. Ms. Everett-Frantonius spends approximately 50% of her time on this activity. The sale of certain insurance products and services may pay commission-based compensation. All insurance commissions are separate and distinct from the investment advisory fees outlined in Item 5 in this brochure. This creates a conflict of interest because there is a financial

incentive for Ms. Everett-Frantonius to recommend certain products and services. However, Ms. Everett-Frantonius attempts to mitigate any conflict of interest to the best of her ability by placing the interests of the client ahead of her own and the implementation of the policies and procedures of EWS. EWS clients are never obligated to purchase any insurance products from Ms. Everett-Frantonius and are free to purchase the same, or 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.

The Code of Ethics covers all supervised persons and describes the high standard of business conduct and fiduciary duty owed to 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 EWS supervised persons must acknowledge the terms of the Code of Ethics annually, or when it is 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 Interactive Brokers and Betterment as custodian for client assets.

### **Best Execution**

EWS relies on the best execution practices of the account custodians Interactive Brokers, Fidelity and 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 such as EWS gives its business to a particular brokerage firm, the brokerage firm may, in return, agree to use some of its revenue to pay for these types of services. EWS does not receive or participate in any soft dollar arrangements.

### **Brokerage for Client Referrals**

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

### **Directed Brokerage**

EWS does not permit directed brokerage relationships.

### **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 the occurrence of life event or pertinent news events, changes in federal and state regulatory or tax laws or economic/market events.

### **Reports**

Clients will receive statements no less than quarterly from their qualified custodian.

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

### **Other Compensation**

EWS does not receive any additional compensation for client referrals.

### **Client Referrals**

EWS does not compensate for client referrals or use third-party solicitors.

## **ITEM 15. CUSTODY**

EWS is not a custodian and does not take custody of any client assets. All client assets are maintained by an unaffiliated qualified custodian, such as a bank or broker/dealer, as selected by either EWS or a sub-advisor responsible for portfolio management services. EWS acknowledges it may have constructive custody based solely on its ability to have advisory fees deducted directly from the client's accounts by the custodian.

## **ITEM 16. INVESTMENT DISCRETION**

EWS is a discretionary portfolio manager. 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. This does not entitle EWS to receive any portion of the transaction fees or commissions charged by the qualified custodian.

## **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 by the custodian or transfer agent for voting. A client may contact EWS with questions should they arise.

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

Registered investment advisors are required in this Item 18, 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.

EWS does not charge or collect fees greater than \$500 in advance.

#### **ITEM 19. REQUIREMENTS FOR STATE-REGISTERED ADVISORS**

EWS has one principal executive officer (management person), Christine M. Everett-Frantonius. Ms. Everett-Frantonius' biographical information is provided in the brochure supplement to this disclosure document.

Under Other Industry Affiliations (Item 10 herein), 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 has no relationship or arrangement with any issuer of securities.

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.