

# **Everest Financial Advisors, LLC**

**9720 Stirling Road  
#107  
Cooper City, FL 33024**

**Phone: 954-233-1960**

**[www.EverestFA.com](http://www.EverestFA.com)**

**October 2, 2019**

**FORM ADV PART 2A**

**BROCHURE**

**This Brochure provides information about the qualifications and business practices of Everest Financial Advisors, LLC. If you have any questions about the contents of this Brochure, please contact us at the phone number listed above. 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 Everest Financial Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for our firm is 152866.**

**Everest Financial Advisors, LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

## Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

1. Item 4 & Item 16: The adviser has added discretionary trading authority for investment management services.  
09-27-2019

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## Item 4 Advisory Business

### **Description of Services and Fees**

Everest Financial Advisors, LLC is a registered investment adviser based in Cooper City, Florida. We are organized as a limited liability company under the laws of the State of Florida. We have been providing investment advisory services since 2010. James Estep and Leonardo Nunez are our principal owners. Currently, we offer the following investment advisory services, which are personalized to each individual client:

- Investment Management Services
- Financial Planning Services
- Selection of Other Advisers

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this Brochure, the words "we", "our" and "us" refer to Everest Financial Advisors, LLC and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person throughout this Brochure. As used in this Brochure, our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm. Everest Financial Advisors, LLC offers investment advice with the assistance of its Investment Adviser Representatives (IARs).

### **Investment Management Services**

We offer discretionary investment management services. Our investment advice and management is tailored to meet our clients' needs and investment objectives. If you engage our firm for investment management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information (the "suitability information") at the beginning of our advisory relationship. We will use the suitability information we gather to develop a strategy that enables our firm to give you focused investment advice and/or to make investment recommendations on your behalf. Once we construct an investment portfolio for you, we will monitor your portfolio's performance on a periodic basis, and will rebalance the portfolio as required by changes in market conditions and in your financial circumstances.

If you engage our firm for investment management services, we typically require that you grant our firm discretionary authority to manage your account. Discretionary management enables us to manage your account without requiring your direct authorization and consent each time we make a change to your account. Non-discretionary arrangements with our firm require the Investment Adviser Representative assigned to your account to obtain your approval prior to executing any transactions on behalf of your account.

As part of our investment management services, we may use one or more sub-advisers to manage a portion of your account on a discretionary basis. The sub-adviser(s) may use one or more of their model portfolios to manage your account. We will monitor the performance of your accounts managed by sub-adviser. We will pay a portion of our advisory fee to the sub-adviser(s) we use; however, you will not pay our firm a higher advisory fee as a result of any sub-advisory relationships.

### **Financial Planning and Consulting Services**

We offer broad-based, modular, and consultative financial planning services. Financial planning will typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. If you retain our firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. Once we review and analyze the information you provide to our firm, we may deliver a written plan to you, designed to help you achieve your stated financial goals and objectives.

Financial plans and recommendations are based on your financial situation at the time we present the plan to you, and on the financial information you provide to our firm. You must promptly notify our firm if your financial situation, goals, objectives, or needs change. You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services.

As part of financial planning services, we also offer annual retainer services consisting of ongoing financial advice and consultations. If you retain our firm for annual retainer services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information (the "suitability information") at the beginning of our advisory relationship so that we can tailor our advice to each client's individual needs and investment objectives. Our annual retainer services are offered under two different levels of service: Basic and Premium. Our Basic and Premium services offer the following components:

### BASIC

- Financial Planning Portal Access
- Spending Plan
- Need Analysis and Strategies to include
  - Financial Statements
  - Life Insurance Needs
  - Disability Needs
  - Education Planning and Funding
  - Retirement Needs
  - Asset Allocation Review
  - Basic Tax Planning
  - Basic Estate Planning
  - Debt Elimination Analysis and Strategies
- 1 hour Plan Presentation
- *Unlimited* Email Consultations
- Virtual Quarterly Meetings
- Face to Face Annual Review

### PREMIUM

- Financial Planning Portal Access
- Comprehensive Analysis and Strategies to include:
  - Financial Statements
  - Cash Flow Spending Analysis
  - Life Insurance Needs
  - Disability Needs
  - Long Term Care Needs
  - Medicare Review and Strategies
  - Social Security Optimization
  - Custom Income Distribution Strategies w/ Retirement Analysis
  - Investment Analysis and Asset Diversification
  - Asset Allocation Review
  - Advanced Tax Strategies
  - Advanced Estate and Legacy Planning
  - Debt Elimination Analysis and Strategies
- 2 hour Plan Presentation Meeting
- *Unlimited* Email Consultations
- *Unlimited* Phone Consultation and Document Review
- Virtual Quarterly Meetings
- Face to Face Annual Review
- Face to Face Mid Year Review
- Virtual Monthly Budget Reconciliation and Review

Under our Financial Planning and Consulting Services, we also provide retirement consulting services to employee benefit plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary (Client). These services generally consist of one or more of the following ERISA and/or non-ERISA fiduciary services, as selected by the client:

*Fiduciary Services:*

- Preparation of Investment Policy Statement
- Non-Discretionary Plan-Level Investment Advice
- Non-Discretionary Participant Investment Advice
- Performance Monitoring
- Investment Reports

*Non-Fiduciary Services:*

- Education Services to Plan Committee
- Participant Education
- Plan Search Support

We may also provide additional types of services to plans on an individually negotiated basis. All services, whether discussed above or customized for the plan based upon requirements from the plan fiduciaries (which may include additional plan-level or participant-level services) shall be detailed in a written agreement and be consistent with the parameters set forth in the plan documents.

In providing services to the Plan, our status is that of a state registered investment adviser. Our firm is not subject to any disqualifications under Section 411 of ERISA. Depending on the negotiated services to be performed, and to the extent we are performing fiduciary services, we are acting as a fiduciary of the plan as defined in Section 3(21) under ERISA.

**Selection of Other Advisers**

As part of our investment advisory services, we may recommend that you use the services of a third party investment adviser ("TPA") to manage your entire, or a portion of your, investment portfolio. After gathering information about your financial situation and objectives, we will recommend that you engage a specific TPA or investment program. Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the following: the TPA's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will periodically monitor the TPA(s)' performance to ensure its management and investment style remains aligned with your investment goals and objectives.

We may share in the advisory fee you pay directly to the TPA. The advisory fee you pay to the TPA is established and payable in accordance with the Brochure provided by each TPA to whom you are referred. These fees may or may not be negotiable. Our compensation may differ depending upon the individual agreement we have with each TPA. As such, a conflict of interest may arise where our firm or our Associated Persons may have an incentive to recommend one TPA over another TPA with whom we have more favorable compensation arrangements or other advisory programs offered by TPAs with whom we have less or no compensation arrangements.

You may be required to sign an agreement directly with the recommended TPA(s). You may terminate your advisory relationship with the TPA according to the terms of your agreement with the TPA. You should review each TPA's this Brochure for specific information on how you may terminate your advisory relationship with the TPA and how you may receive a refund, if applicable. You should contact the TPA directly for questions regarding your advisory agreement with the TPA.

## **Types of Investments**

We may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship. You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

## **Assets Under Management**

As of February 2, 2019, we provide continuous management services for \$0 in client assets on a discretionary basis, and \$16,091,288 in client assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### **Investment Management Services**

Our fee for investment management services is based on a percentage of your assets we manage and ranges from 0.50% to 1.50%. The annual investment management fee is billed and payable quarterly in arrears based on the value of your account on the last day of the quarter. If the investment management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances.

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when the following requirements are met:

- You provide our firm with written authorization permitting the fees to be paid directly from your account held by the qualified custodian.
- We send you an invoice showing the amount of the fee, the value of the assets on which the fee is based, and the specific manner in which the fee was calculated.
- The qualified custodian agrees to send you a statement, at least quarterly, indicating all amounts dispersed from your account including the amount of the advisory fee paid directly to our firm.

You may terminate the investment management agreement upon written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client.

We encourage you to reconcile our invoices with the statement(s) you receive from the qualified custodian. If you find any inconsistent information between our invoice and the statement(s) you receive from the qualified custodian please call our main office number located on the cover page of this Brochure.

### **Financial Planning and Consulting Services**

We charge a fixed fee for financial planning services, which generally ranges between \$500 and \$5,000. The fee is negotiable depending upon the complexity and scope of the plan, your financial situation, and your objectives.

We also offer financial planning services for an hourly fee of \$200 for financial planning services, which is negotiable depending on the scope and complexity of the plan, your situation, and your financial objectives. An estimate of the total time/cost will be determined at the start of the advisory relationship. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, we will notify you and request that you approve the additional fee. We generally require that you pay 50% of the fee in advance and the remaining portion upon the completion of the services rendered. We will not require prepayment of a fee more than six months in advance and in excess of \$500.

For our Annual Retainer services, we charge a fixed monthly fee or either \$99 or \$199 for our Basic and Premium services, respectively. In addition, we charge a non-refundable on-boarding fee of \$499 for both Basic and Premium retainer programs. Before you engage our firm for annual retainer services, one of our investment adviser representatives will sit down with you and review the different programs and assist you with determining which program might be the best fit for you.

All terms, including the exact dates when payment is due, will be clearly stated in the agreement you sign with us. All unearned fees will be refunded on a pro rated basis upon termination. Clients can terminate the financial planning agreement by providing written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

*For our Retirement Consulting Services our annual fee is calculated as a fixed dollar amount, an asset-based fee based on a percentage of the Plan's assets, or a combination of these pricing methods. The fee arrangement will be negotiated with the plan sponsor or named fiduciary (Client or Plan) on a case-by-case basis, and payable in arrears on quarterly installments due within 30 days after the date of invoice. Clients may elect to be billed directly, or may authorize the Investment Provider, TPA/Record Keeper, or acting Custodian of the Plan's assets to direct the fee payment directly to our Firm. All terms of our engagement, such as the fee and payment arrangements, will be evidenced in the Retirement Plan Investment Advisory Agreement.*

Either party may terminate the agreement upon 30 day written notice to the other party. Fees will be prorated for the quarter in which termination notice is given, and any unearned fees will become due and payable as per the terms of the Agreement.

### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the "Brokerage Practices" section of this Brochure.

### **Item 6 Performance-Based Fees and Side-By-Side Management**

We do not accept performance-based fees or participate in side-by-side management. Our fees are calculated as described in the Fees and Compensation section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

### **Item 7 Types of Clients**

We offer investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

In general, we do not require a minimum dollar amount to open and maintain an advisory account; however, we have the right to terminate your Account if it falls below a minimum size which, in our sole opinion, is too small to effectively manage. For financial planning services that provided on an hourly basis, EFA requires a two-hour minimum.

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

#### **Our Methods of Analysis and Investment Strategies**

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

- **Technical Analysis** - involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.
- **Fundamental Analysis** - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.
- **Long Term Purchases** - securities purchased with the expectation that the value of those securities will grow over a



relatively long period of time, generally greater than one year.

- Short Term Purchases - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

**Technical Analysis** - The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day to day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

**Fundamental Analysis** - The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

We may use short-term trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s). Short-term trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk.

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

### **Recommendation of Particular Types of Securities**

As disclosed under the "Advisory Business" section in this Brochure, we may recommend other types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

### **Item 9 Disciplinary Information**

Everest Financial Advisors, LLC has been registered and providing investment advisory services since 2010, and James Estep and Leonardo Nunez have been registered as either an investment adviser representative or registered representative since 2010. Neither our firm nor Mr. Estep and Mr. Nunez have any reportable disciplinary information.

## Item 10 Other Financial Industry Activities and Affiliations

### **Tax Preparation Services**

We offer tax preparation services that are separate and apart from our advisory services. We may have a financial incentive to recommend our tax preparation services to our advisory clients. You are under no obligation to use our firm for tax preparation services.

### **Recommendation of Other Advisers**

We may recommend that you use a third party adviser ("TPA") based on your needs and suitability. We will receive compensation from the TPA for recommending that you use their services. These compensation arrangements present a conflict of interest because we have a financial incentive to recommend the services of the third party adviser. You are not obligated, contractually or otherwise, to use the services of any TPA we recommend.

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

### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm. Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this Brochure.

### **Participation or Interest in Client Transactions**

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this Brochure.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of securities.

## Item 12 Brokerage Practices

### **Brokerage Recommendations**

**TD Ameritrade Institutional:** Our firm participates in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from TD Ameritrade through its participation in the Program. As disclosed above, Advisor participates in TD Ameritrade's institutional customer program and Advisor may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between Advisor's participation in the program and the investment advice it gives to its Clients, although Advisor receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Advisor by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Advisor's related persons. Some of the products and services made available by TD

Ameritrade through the program may benefit Advisor but may not benefit its Client accounts. These products or services may assist Advisor in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Advisor manage and further develop its business enterprise. The benefits received by Advisor or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Advisor endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor's choice of TD Ameritrade for custody and brokerage services.

For clients engaging our firm for portfolio management services, clients must open one or more custodian accounts in their own name at an independent custodian with whom we maintain a relationship with. For clients in need of brokerage and custodial services, we recommend the use of TD Ameritrade. We believe that TD Ameritrade provides quality execution services for our clients at competitive prices. We consider several factors in recommending a broker-dealer/custodian to a client, which generally include: ease of use, reputation, service execution, pricing and financial strength. We may also take into consideration the availability of the research and/or services received or offered by the broker-dealer/custodian.

**Betterment Securities:** We may also recommend that our clients use MTG, LLC dba Betterment Securities ("Betterment Securities"), a registered broker-dealer and member of the SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Betterment Securities. Betterment Securities will hold your assets in a brokerage account and buy and sell securities when we and/or you instruct them to. While we recommend that you use Betterment Securities as custodian/broker, you will decide whether to do so and will open your account with Betterment Securities by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. If you do not wish to place your assets with Betterment Securities, then we cannot manage your account on Betterment for Advisors (defined below).

**Your Brokerage And Custody Costs:** For our clients' accounts that Betterment Securities maintains, Betterment Securities does not charge you separately for custody/brokerage services, but is compensated as part of the Betterment for Advisors (defined below) platform fee, which is charged for a suite of platform services, including custody, brokerage, and sub-advisory services provided by Betterment and access to the Betterment for Advisors platform. The platform fee is an asset-based fee charged as a percentage of assets in your Betterment account. Clients utilizing the Betterment for Advisors platform may pay a higher aggregate fee than if the investment management, brokerage and other platform services are purchased separately. Nonetheless, for those Clients participating in the Betterment for Advisors platform, we have determined that having Betterment Securities execute trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above.

**Services Available To Us Via Betterment For Advisors:** Betterment Securities serves as broker-dealer to Betterment for Advisors, an investment and advice platform serving independent investment advisory firms like us ("Betterment for Advisors"). Betterment for Advisors also makes available various support services which may not be available to Betterment's retail customers. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Betterment for Advisors' support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Following is a more detailed description of Betterment for Advisors' support services:

1. **SERVICES THAT BENEFIT YOU.** Betterment for Advisors includes access to a globally diversified, low-cost portfolio of ETFs, execution of securities transactions, and custody of client assets through Betterment Securities. In addition, a series of model portfolios created by third-party providers are also available on the platform. Betterment Securities' services described in this paragraph generally benefit you and your account.
2. **SERVICES THAT MAY NOT DIRECTLY BENEFIT YOU.** Betterment for Advisors also makes available to us other products and services that benefit us, but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts, such as software and technology that may:
  - a. Assist with back-office functions, recordkeeping, and client reporting of our clients' accounts.

- b. Provide access to client account data (such as duplicate trade confirmations and account statements).
  - c. Provide pricing and other market data.
3. SERVICES THAT GENERALLY BENEFIT ONLY US. By using Betterment for Advisors, we may be offered other services intended to help us manage and further develop our business enterprise. These services include:
- a. Consulting (including through webinars) on technology and business needs.
  - b. Access to publications and conferences on practice management and business succession.

**Our Interest In Betterment Securities' Services:** The availability of these services from Betterment for Advisors benefits us because we do not have to produce or purchase them. In addition, we do not have to pay for Betterment Securities' services. We may have an incentive to recommend that you maintain your account with Betterment Securities, based on our interest in receiving Betterment for Advisors and Betterment Securities' services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Betterment Securities as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Betterment Securities' services and not Betterment for Advisors and Betterment Securities' services that benefit only us or that may not directly benefit you.

**Betterment For Advisors' Trading Policy:** When using the Betterment for Advisors platform, we and you are subject to the trading policies and procedures established by Betterment. These policies and procedures limit our ability to control, among other things, the timing of the execution of certain trades (including in response to withdrawals, deposits, or asset allocation changes) within your account. You should not expect that trading on Betterment is instant, and, accordingly, you should be aware that Betterment does not permit you or us to control the specific time during a day that securities are bought or sold in your account (i.e., to "time the market"). Betterment describes its trading policies in Betterment LLC's Form ADV Part 2A. As detailed in that document, Betterment generally trades on the same business day as it receives instructions from you or us. However, transactions will be subject to processing delays in certain circumstances. In particular, orders initiated on non-business days and after markets close generally will not transact until the next business day. Betterment also maintains a general approach of not placing securities orders during approximately the first thirty minutes after the opening of any market session. Betterment also generally stops placing orders arising from allocation changes in existing portfolios approximately thirty minutes before the close of any market session. Betterment continues placing orders associated with deposit and withdrawal requests until market close. Betterment maintains a general approach of not placing orders around the time of scheduled Federal Reserve interest rate announcements. Furthermore, Betterment may delay or manage trading in response to market instability. For further information, please consult Betterment LLC's Form ADV Part 2A.

#### **Research and Other Soft Dollar or Economic Benefits**

We do not have any soft dollar arrangements. However, as a registered investment adviser we have access to the institutional platform of your account custodian (TD Ameritrade). As such, we will also have access to research products and services from your account custodian. These products may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms, and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

#### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

#### **Directed Brokerage**

We routinely recommend that you direct our firm to execute transactions through TD Ameritrade. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

## **Block Trades**

We do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (the practice of combining multiple orders for shares of the same securities is commonly referred to as "block trading"). Accordingly, you may pay different prices for the same securities transactions than other clients pay. Furthermore, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than other clients.

## **Item 13 Review of Accounts**

James Estep or Leonardo Nunez, both Managing Members of our firm, will monitor your managed accounts on a periodic basis and will conduct account reviews at least annually to ensure the advisory services provided to you or that the portfolio mix is consistent with your stated investment needs and objectives. Additional reviews may be conducted based on the agreement with our firm or other various circumstances, including, but not limited to: contributions and withdrawals, year-end tax planning, market moving events, security specific events, and/or, changes in your risk/return objectives.

We generally do not provide clients with additional or regular written reports in conjunction with account reviews. Clients will receive trade confirmations and monthly or quarterly statements from the client's account custodian(s).

We will review your financial plan only at your request. Otherwise, we do not review or monitor your financial plan, or review statements you receive from your third-party money manager or account custodian. At your request, we may meet with you and/or your third-party money manager(s) to discuss asset allocation, but we will not make recommendations regarding specific investments or provide any regular written reports to you.

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

### *Compensation for Client Referrals*

We may directly compensate non-employee (outside) consultants, individuals, and/or entities (Solicitors) for client referrals. In order to receive a cash referral fee from our firm, Solicitors must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a Solicitor, you should have received a copy of this Brochure along with the Solicitor's disclosure statement at the time of the referral. If you become a client, the Solicitor that referred you to our firm will receive either a percentage of the advisory fee you pay our firm for as long as you are a client with our firm, or until such time as our agreement with the Solicitor expires, or a one-time, flat referral fee upon your signing an advisory agreement with our firm. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon your entering into an advisory agreement with our firm. Therefore, a Solicitor has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

Solicitors that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements. We request that our Solicitors disclose to you whether multiple referral relationships exist and that comparable services may be available from other advisers for lower fees and/or where the Solicitor's compensation is less favorable.

### *Receipt of Compensation for Client Referrals*

We receive compensation from The Pacific Financial Group (hereinafter "Pacific") for referring clients to them. This arrangement will not cause you to pay more in advisory fees than you would otherwise pay had there been no solicitor's compensation. All referral fees paid to our firm represent a portion of the fees actually charged to you by Pacific for investment advisory services. There is no differential between the amount or level of investment advisory fees that Pacific will charge for managing the client account(s) in excess of that which they would customarily charge for managing any other new client's account with similar assets and which was not referred to Pacific by our firm.

In order to receive a cash referral fee from Pacific, our firm must comply with the requirements of the jurisdictions in which we operate. If you were referred by our firm to Pacific, you should have received a copy of this Disclosure Brochure, a copy

of our Solicitors' Disclosure Statement along with Pacific's disclosure brochure at the time of the referral.

If you become a client of Pacific, our firm will receive a percentage of the advisory fee you pay to Pacific for as long as you are a client of Pacific. Referral fees paid to our firm are contingent upon your entering into an advisory agreement with Pacific. Therefore, as a Solicitor we have a financial incentive to recommend you to Pacific for advisory services. This creates a conflict of interest; however, you are not obligated to retain Pacific for advisory services. Comparable services and/or lower fees may be available through other firms.

#### Item 15 Custody

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent qualified custodian. You will receive account statements from the independent qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. We will also provide statements to you reflecting the amount of advisory fee deducted from your account.

You should compare our statements with the statements from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement, or if you did not receive a statement from your custodian, please contact us directly at the telephone number on the cover page of this Brochure.

#### Item 16 Investment Discretion

Accounts managed through our investment management service are typically managed on a discretionary basis with respect to securities to be bought and sold and the amount of securities to be bought and sold. Investment discretion is explained to clients in detail when an advisory relationship has commenced and it is laid out in the client agreement. Clients may impose reasonable restrictions as to the securities and types of securities that the Adviser may buy or sell in managing their portfolio.

#### Item 17 Voting Client Securities

##### **Proxy Voting**

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

#### Item 18 Financial Information

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We (i) do not take physical custody of client funds or securities; (ii) do not serve as trustee or signatory for client accounts; (iii) do not require the prepayment of more than \$500 in fees six or more months in advance; and (iv) have not filed a bankruptcy petition at any time in the past ten years. Therefore, we are not required to include a financial statement with this Disclosure Brochure.

#### Item 19 Requirements for State Registered Advisers

Neither our firm, nor any of our Associated Persons are compensated for advisory services with performance-based fees. Please refer to the "Performance-Based Fees and Side-By-Side Management" section above for additional information on this topic.

Neither our firm, nor any of our Associated Persons have any reportable arbitration claims, civil, self-regulatory organization proceeding or administrative proceeding.

Neither our firm, nor any of our Associated Persons have a material relationship or arrangement with any issuer of securities.

Refer to the Part(s) 2B for background information about management personnel and those giving advice on behalf of our firm.

## Item 20 Additional Information

### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any non-public personal information about you to any non-affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to non-public personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your non-public personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this Brochure if you have any questions regarding this policy.

### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, you will keep the profit.

### **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

## Everest Financial Advisors, LLC Privacy Notice

Everest Financial Advisors, LLC ("Everest") believes it is essential that we maintain the privacy of the nonpublic personal information that you provide to us and that we obtain in connection with providing our products and services to you.

Everest limits the use, collection, and retention of such information to what we believe is necessary or useful to conduct our business and to provide and offer you quality products and services, as well as other opportunities that may be of interest to you. Information collected may include, but is not limited to name, address, telephone number, tax identification number, date of birth, employment status, annual income, and net worth.

In providing products and services to you, we collect nonpublic personal information about you from the following sources:

- Information we receive from you on applications or other forms (e.g. investment/insurance applications, new account forms, and other forms and agreements);
- Information about your transactions with us, or others (e.g. broker/dealers, clearing firms, or other chosen investment sponsors); and
- Information we receive from consumer reporting agencies (e.g. credit bureaus), as well as other various materials we may use to put forth an appropriate recommendation, or to fill a service request.

Everest places strict limits on who receives specific information about your account(s) and other personally identifiable data. As a rule, we do not disclose nonpublic personal information we collect to others. However, because we rely on certain third parties for services that enable us to provide our advisory services to you, such as our attorneys, auditors, other consultants, brokers, and custodians who, in the ordinary course of providing their services to us, may require access to information, we may share non-public personal information with such third parties. Additionally, we will share such information where required by legal or judicial process, such as a court order, or otherwise to the extent permitted under the federal privacy laws.

We may also disclose such information to others upon your instructions below listing applicable persons and you may amend this provision, and/or rescind your request at any time in writing. Your signature below indicates your understanding and acceptance that we may share such information.

We restrict access to nonpublic personal information about you to those persons associated with Everest, who need access to such information in order to provide our products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

If you decide to close your account(s) or become an inactive customer, we will adhere to the privacy policies and practices as described in this notice.

Everest reserves the right to change these Privacy Principles, and any of the policies or procedures described above, at any time without prior notice. However, you will be promptly provided with a current copy of our privacy notice upon material changes or upon request. So long as you remain an active customer, you will receive a current copy of our privacy notice at least annually. These Privacy Principles are for general guidance and do not constitute a contract or create legal rights, and do not modify or amend any agreements we have with you.

If you have questions about this privacy policy, or if you wish to amend or rescind your written instructions below at any time, please call James E. Estep at 954-233-1960 ext. 711 or via e-mail.