Firm Brochure

(Part 2A of Form ADV)

March 5, 2018

Item 1: Cover Page

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This brochure provides information about the qualifications and business practices of SEATON FINANCIAL ADVISORS, LLC (SFA), a Registered Investment Advisor registered with the state of Florida. If you have any questions about the contents of this brochure, please contact Terry L. Seaton at: 904-825-4203, or by email at: terryseaton@bellsouth.net. 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 SEATON FINANCIAL ADVISORS, LLC is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Seaton Financial Advisors, LLC is 134586.

Registration with the SEC or other state securities authorities as a "Registered Investment Advisor" does not imply any certain level of skill or training.

Date of this brochure: March 5, 2018

Item 2: Summary of Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually and when material changes occur since the previous release of the Firm Brochure.

Summary of Material Changes since the Last Update

In this Summary of Material Changes we discuss only the material changes since the last annual update of this Brochure, which was on March 13, 2017:

1. SFA hourly billing rate has been increased to $250 per hour
2. TD Ameritrade trade commission fees for stocks and Exchange Traded Funds have been reduced from $10 per trade to $7 per trade.

Item 3: Table of Contents

Item 4: Advisory Business

4. A Firm Description and Principal Owner(s)

SFA was founded in 2005 with the goal of offering sophisticated financial planning and asset management services to clients in a manner that is simple, safe, transparent and reasonably priced.

SFA is strictly a fee-only financial planning and asset management firm that operates in a fiduciary capacity with respect to its clients. The firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder's fees or referral fees are accepted.

Terry L. Seaton is the sole (100%) owner of SFA. SFA is not a subsidiary of another entity nor does it have ownership interests (full or partial) in any subsidiaries.

4. B Types of Advisory Services

SFA provides three primary services:

1. Financial Plan Development
2. Wealth Management
3. Consulting on An Hourly Basis

Financial Planning

A Personal Financial Plan provides the basis and context for making a wide range of decisions that can assist the client in achieving their personal and financial goals. The plan is also a key driver of the investment strategy. The creation of a financial plan involves the collection and evaluation of a broad range of personal and financial data necessary to develop financial strategies tailored to fit the needs of the client. This includes analysis and advice relative to the client's financial goals, tolerance for risk, assets and liabilities, current and projected cash-flows, asset protection, insurance coverage, retirement planning, tax planning, education planning, estate planning, and high level investment planning. Major emphasis is placed on identifying client goals and developing plans for achieving those goals. Also provided are recommendations for savings, spending, investing and the generation of income. The investing component includes investment strategies and high level portfolio design but does not include recommendations for specific securities. Specific security recommendations are available in the Wealth Management service described below. This approach provides the client with the freedom to either implement the financial plan by subscribing to the SFA Wealth Management services described below, to implement the plan themselves by making their own investing/financial decisions or to choose another financial professional for assistance.

Wealth Management

Wealth Management includes three components:

1. implementation of the personal financial plan
2. on-going financial planning/advice
3. on-going investment supervisory services

Implementation of the personal financial plan includes the establishment of new accounts, re-titling of accounts/assets, transfer of accounts, selection and purchase of specific securities to implement the investment strategy, purchase of insurance products (from independent third parties) and development of estate planning legal documents in collaboration with an attorney.

Financial planning and advice includes the on-going analysis and decision support to assist clients in reaching their goals. Major emphasis is placed on monitoring client goals, assessing progress toward reaching those goals, and developing alternate strategies for achieving those objectives. The service includes, but not limited to:

- annual review and update of the client's written plan to determine if additional or alternative strategies need to be employed.
- update financial projections for changes to assumptions such as inflation rate, forecasted performance of asset classes, medical costs, etc.
- response to life changes such as inheritances, change in goals, death, etc.

The investment supervisory service refers to the continuous management of an investment strategy/plan appropriate for the financial objectives and risk tolerance of the client. The primary focus is on the continuing assessment of the overall asset allocation and diversification of equities and fixed income among asset categories. This is done to assure the total portfolio continues to achieve a risk/return trade-off commensurate with the client's goals and tolerance for risk. The on-going selection, acquisition and disposition of specific investment products necessary to keep the investment strategy/plan on track are also included in the service. The service often includes SFA receiving discretionary authorization from the client for SFA to give instructions to the custodian/broker/dealer for the purchase and sale of securities.

Seaton Financial Advisors, LLC will evaluate and manage most publicly traded securities, but primarily recommends to its clients no-load mutual funds and "exchange traded funds" (ETF) which are low in cost, tax efficient, widely traded and highly liquid.

SFA offers investment advice only with respect to limited types of investments. For example we do not offer advice relative to non-publically traded investments, real estate, options, futures, and various types of "derivative" investment products.

Consulting On an Hourly Basis

A consultation arrangement is also available that focuses on one or more of the various financial plan functions listed above (e.g. college planning) and is subject to the same terms and conditions as above. We retain the option to limit the number of consultations during the year. Also, consultation on a recurring, on-going basis is not available for investment advice.

4. C Tailored Services and Client Restrictions

SFA tailors each of its services to the specific needs of each client. Financial Plans are developed based upon the unique situation of each client. Investment strategies and portfolios are developed based upon the client's goals, tolerance for risk and need for asset appreciation.

SFA works in a collaborative manner with clients and values and respects their wishes. Clients may impose restrictions on investing in certain securities or types of securities. For example, clients may preclude the investment in certain companies that they believe are not socially responsible. Also, clients may restrict investments in securities that they believe to be too risky.

4. D Wrap Fee Programs

SFA does not participate in wrap fee programs.

4. E Client Asset Amounts

As of 12-31-2017, SEATON FINANCIAL ADVISORS, LLC manages approximately $21.8 Million in assets for approximately 31 clients. Of the total $21.8 Million, approximately $18.0 Million is managed on a discretionary basis, and $3.8 Million is managed on a non-discretionary basis.

Item 5: Fees and Compensation

5. A. Fee Schedule and Compensation Methodology

We charge the following fees for each of the three services listed in Item 3 above:

Financial Planning

Fees for developing a financial plan are based on the scope of the plan requested by the client, the complexity of the client's situation and the amount of time required to develop the plan. SFA's hourly billing rate is $250 per hour and the amount of time required will be a material factor in establishing the price of any particular financial plan. The fee is billed in arrears, after the service has been successfully provided. The $250 per hour fee is not negotiable. Fees for the immediate family members of the SFA owner and spouse may be reduced or waived.

A Financial Planning Agreement is used to define the scope and terms of the engagement and includes a fixed total cost (provided in advance) which will not increase unless the client introduces new requirements or new information. The average cost for a "typical" client is $500. The agreement can be terminated within 5 business days with no further obligation by the client. If the client terminates after 5 business days, the client will be billed for the number of hours worked by SFA.

Wealth Management
The fee for Wealth Management services, which includes the three components described above (Item 3.B) is billed during the first 2 months of each 6-month period. The bills are transmitted during the first or second month of the 6-month period and the client has a 30 day period in which to pay. Therefore, we do not require or solicit pre-payment for a period of time that is equal to or greater than 6 months. Following is our rate schedule:

½% per year times the average value of assets managed

Fees are based on the simple average of assets under management for the prior period (except for the first billing cycle which is based on the beginning value of the assets under management). Assets under management include the client assets custodied at TD Ameritrade Institutional plus other client accounts custodied at other B/D's for which SFA provides investment advisory services.

The simple average is calculated by adding together the beginning balance and the ending balance from the prior billing period and dividing the sum by two. Adjustments may be made to this calculation to reflect large additions or withdrawals from the account between billing cycles (greater than 10% of total assets). Fees are not negotiable and are due and payable within 30 days of date of invoice. Fees for the immediate family members of the SFA owner and spouse may be reduced or waived. A Wealth Management Agreement is used to define the scope and terms of the Wealth Management service. The client has five business days from the signing of the Wealth Management Agreement to terminate the agreement without obligation. Any fees related to the agreement collected before or during that five day period will be returned to the client in full. After the initial five day period has expired, termination of the agreement may be accomplished, for any reason, without penalty, by either party giving notice to the other. In the event of termination, any prepaid fees are refunded to the client "pro-rata" from the date of termination to the date to which service has been prepaid.

Consulting on an Hourly Basis
We charge an hourly fee of $250 per hour for consulting engagements.
We use the same Financial Planning Agreement as described above and provide the client with a total price for the consulting engagement in advance.

5. B. Frequency of Billing and Payment Options
The fee to develop a Financial Plan or complete a Consulting Engagement is billed in arrears. In other words, after the financial plan is delivered and explained to the client. Client payment options include cash or personal checks.
Fees for the on-going Wealth Management service are billed during the first 2 months of each 6-month period. Clients have 30 days to pay each bill. Clients have the option to either pay the bill by personal check or have the fees deducted directly from one or more of their investment accounts. Regardless of the option selected, clients will receive the same billing information that clearly shows how the fee was calculated.

5. C Other Fees

All fees paid to SFA for financial planning and wealth management services are separate and distinct from the fees and expenses charged by mutual funds and exchange-traded funds (ETFs) to their shareholders. SFA receives no compensation from any mutual fund company, exchange-traded fund company or from any Custodian.

Mutual fund and Exchange Traded Fund (ETF) Fees

Mutual fund and ETF expenses are generally described in each fund's prospectus. Each mutual fund company (and ETF company) charges the client a recurring annual fee for operating and management expenses (often called an expense ratio). For example an expense ratio of .50 means the mutual fund company charges .50% per year for their services. These fees are deducted from the net asset value of the mutual fund on a daily basis before its performance is reported and valued in the client's account. Therefore, these "hidden" charges do not appear on the Account Statements provided by the custodian.

In addition, mutual fund/ETF companies incur trading costs whenever they buy and sell securities on behalf of the fund. These charges are also deducted from the value of all client accounts before reporting overall fund performance. These "hidden" charges do not appear on the client's Account Statement.

Mutual fund/ETF companies may generate capital gains during the year that are not distributed to shareholders but for which shareholders may have tax liabilities. While this is not technically a "fee", it does represent a potential cost of owning these securities.

Some mutual funds charge sales commissions (also called "loads") to compensate the financial salesperson for selling the mutual fund. We do not recommend or utilize mutual funds that contain sales commissions. We exclusively use mutual funds & ETFs that are "no-load" so that our clients are not charged commission fees.

Custodian Fees

Clients will incur transaction fees or commissions in connection with trading of mutual funds, ETFs, individual stocks and bonds which are charged by the custodian (brokerage firm holding the client's assets for safekeeping). Mutual fund transaction fees charged by our recommended custodian, TD AMERITRADE INSTITUTIONAL are generally $24 or $31 for each purchase and sale transaction (regardless of the number of shares traded). The $24 per trade fee is applicable for clients with account balances greater than $500,000 (total in the household) or who elect to receive Account Statements via electronic transmission. The $31 fee is charged to those clients who do not meet either criterion for the lower ($24) fee. Trading fees charged by TD Ameritrade

Institutional for the buy or sale of ETF securities are either $7 per trade or $17 per trade. The $7 ETF trading fee is available to clients who either have account balances greater than $500,000 (total in the household) or who elect to receive Account Statements via electronic transmission. The $17 ETF trading fee applies to clients who do not meet either criterion for the lower ($7) fee. The transaction fees for individual stocks are the same as those for ETFs (see above). The trading fees for individual bonds vary depending on the type of bond and the number of bonds traded.

Accordingly, the client should review both the fees charged by the funds (including transaction and opportunity costs within funds which are not included in a fund's annual expense ratio), the transaction fees charged by the custodian, as well as the fees charged by SFA, to fully understand the total amount of fees and costs paid by the client, in connection with any recommended transaction. For a discussion of our practice in recommending brokers (custodians) to our clients and negotiating brokerage fees on their behalf, please see Item 12.

Clients may also incur "account termination fees" upon the transfer of an account from one brokerage firm (custodian) to another. The range for these account termination fees is believed to range generally $0 to $200 at present, but at times may be much higher. Clients should contact their custodians (brokerage firms, bank or trust company, etc.) to determine the amount of account termination fees which may be charged and deducted from their accounts for any existing accounts which may be transferred.

Brokerage fees are discussed further in Item 12

5. D Contract Terminations and Refunds

Wealth Management services must be paid for during the first two months of each 6-month billing cycle.

The client has five business days (Monday through Friday) from the signing of the Wealth Management contract to terminate the contract without obligation. Any fees collected before or during that five day period will be returned to the client in full.

After the initial five day period has expired, termination of the Wealth Management agreement may be accomplished, for any reason, without penalty, by either party giving notice to the other. Notice given by the client is effective upon receipt by SFA. Notice given by SFA is effective upon receipt by the client or up to thirty days after receipt at the request of the client. In the event of termination, any prepaid fees are refunded "pro-rata" from the date of termination to the date to which service has been prepaid. For example, if you terminate the contract at the end of the fourth month (of a 6-month period), then 2/6ths of the amount pre-paid will be refunded.

5. E Compensation and Conflicts of Interest

5. E.1 Conflicts of Interest Due to Compensation Arrangements

We do not accept compensation for the sale of securities or other investment products, including asset-backed sales charges or service fees from the sale of mutual funds. In fact, we do not sell financial products of any kind. However, since our compensation for Wealth Management services is based on the amount of assets which we have under management this method of compensation creates conflicts when our compensation could be enhanced based on our advice. These include any situations that would increase the assets we manage, such as taking out a mortgage rather than using cash to purchase a home, deciding whether to pay off a mortgage, gifting to charities or children, or our recommendations to bring to our firm other assets, such as 401k accounts, under our management, and whether to invest or maintain investments in assets that we will not manage, etc. Each time such a potential conflict may arise, we will give you written and/or verbal notice of the conflict in that given situation if our advice regarding the proposed transaction would impact our compensation. We strive to maintain a high degree of objectivity and to ensure that our advice is not based on these considerations. However, the potential for conflict of interests exists, and clients must be aware of that fact as they consider our recommendations.

Our method of compensation closely aligns our interests with yours, because our compensation increases when the assets we manage for you increase (and vice versa). In order to facilitate your understanding of your account performance, we will provide you on a semi-annual basis a comparison of market performance to the performance of your account in easy-to-understand form, using appropriate “benchmark” indices. To make sure you are aware of the fees we charge, we will provide semi-annual billing statements which detail the dollar amount you are being charged, even though these amounts may be withdrawn (if you so elect) directly from your account.

Comparable Services Disclosure

SFA believes that the charges and fees offered within its program are competitive with alternative programs available through other firms offering a similar range of services; however, it is possible that lower fees for comparable services may be available from other sources. In addition, you could invest in mutual funds directly, without the services of SFA. In that case, you would not receive the services provided by SFA which are designed, among other things, to assist you in developing an investment strategy, determining which mutual fund or funds are most appropriate to your particular financial condition and objectives, providing a disciplined approach to portfolio rebalancing while taking into account the tax ramifications of same, and avoiding ad hoc emotional reactions to shorter-term market events.

5. E.2 Client Options to Purchase Investment Products

Financial Planning clients who do not subscribe to our Wealth Management service are free to implement the Financial Plan either themselves or with the assistance of other brokers/agents/financial planners with whom SFA has no business affiliation.

For Wealth Management clients there are two types of investments:

Discretionary assets are those that are custodied at TD Ameritrade Institutional and you have given SFA limited power-of-attorney to place trades and perform other administrative account duties. You do not have the option to make trades or purchase investment products with these assets with an entity other than TD Ameritrade.

Non-discretionary assets are those for which you have requested SFA management but do not wish to transfer (or are prohibited from transferring) to TD Ameritrade Institutional. For non–discretionary assets, you have the option to purchase investment products through an entity other than TD Ameritrade Institutional.

5. E.3 Commission Income

Not applicable. We do not sell financial products and therefore do not receive commissions or other "sales" compensation. 100% of our compensation is received via direct billing to clients. No compensation is received from third parties or from the referral of clients to (or from) other professionals such as attorneys, accountants and insurance brokers.

5.E.4 Reduction of Fees to Off-set Commissions

Not applicable. See 5.E.3 above for explanation.

Item 6: Performance-Based Fees

Sharing of Capital Gains: Not applicable to SFA

We do not accept performance-based fees, nor manage accounts which impose performance-based fees. Performance-based fees are fees based on a share of capital gains on or capital appreciation of the assets of a client. Performance-based compensation may create an incentive for us to recommend an investment to you that may carry a higher degree of risk than is prudent. Performance based accounts would also pose a significant conflict of interest to our clients because performance-based fees may provide an incentive to favor such accounts over the accounts of clients under our other advisory programs. We consider avoidance of such conflict very important in maintaining our fiduciary duty to you.

Item 7: Types of Clients

Types of Clients

We provide investment advice primarily to individuals and small business owners. Investment advice is also available for other entities such as not-for-profit organizations, trusts, pension plans and estates.

Client relationships vary in scope and length of service.

Account Minimums

The minimum account size is $500,000 of assets under management, which equates to an annual fee of $2,500 (1/2% times $500,000). Clients receiving ongoing Wealth Management services will be assessed a $2,500 minimum annual fee if their assets fall below $500,000. Clients with assets below the minimum account size may pay a higher percentage rate on their annual fees than the fees paid by clients with greater assets under management.

We have the discretion to reduce or waive the account minimum. For example, accounts of less than $500,000 may be set up when the client and the advisor anticipate the client will add additional funds to the accounts bringing the total to $500,000 within a reasonable timeframe. Other exceptions may apply to employees of SFA and their immediate relatives. Clients who signed Wealth Management Agreements prior to 1/1/2012 are not required to comply with these account minimums but we retain the prerogative to require compliance at any time.

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

8. A Investment Strategy, Methods of Analysis and Risk of Loss in Formulating Investment Advice and Managing Assets

8. A.1 Investment Strategies

SFA uses Strategic Asset Allocation and Portfolio Re-balancing as its primary investment strategies.

Strategic Asset Allocation (developed by Harry Markowitz as a cornerstone of his Modern Portfolio Theory) allocates a portfolio's resources to several asset categories (listed below) in a manner that produces a desirable trade-off between return and risk. By combining asset categories with relatively low correlations, volatility can be reduced and reasonable long term growth objectives achieved (but not guaranteed). A substantial amount of academic research reveals that Strategic Asset Allocation has a very large impact on the expected long term portfolio returns. Note: Correlation measures the extent to which two asset classes move in tandem or in opposition to each other. We implement Strategic Asset Allocation across five major asset categories:

a. US Equities
b. Foreign Equities
c. Natural Resources
d. Bonds
e. Cash

This allocation produces a very important “high level” of portfolio diversification. Diversification is a fundamental tenant of the Prudent Investor Rule with which we comply. To achieve a more robust level of diversification, we further sub-divide each major asset category into sub-categories. For example, the Foreign Equity category would be sub-divided into the subcategories: “developed markets”, “emerging markets” and “specific foreign countries”.

<u>Re-balancing</u> is the second component of our investment strategy. Re-balancing is the process of selling assets in a category that has exceeded its targeted proportion in the portfolio and buying assets that have fallen below their targeted proportions. This is an important strategy because it improves the chances of buying assets that are relatively cheap and selling assets that are relatively expensive (buy low and sell high). It also helps to reduce the emotional aspect of investing by making the buy/sell decision more structured. The frequency and timing of rebalancing is an important factor to the success of this strategy. We generally review the rebalancing decision twice a year but may also rebalance at any time that asset valuation either present unacceptable risk (asset bubble) or offer attractive opportunities (prices much lower than warranted on a long term basis).

8. A.2 Investment Principles

1. It is better to avoid large losses than to chase exceptional performance. Protection of principal, while not guaranteed, will take priority over achieving the highest possible returns.

2. The central goal of investment management is to optimize the relationship between the “need for growth” and the desire to avoid risk.

3. The overall investment strategy and design of the portfolio is far more important than the selection of any particular security within the portfolio. Academic research has shown that the allocation of capital between the major asset categories (equities, bonds and cash) will have a far greater effect on long term performance than the selection of individual securities or the attempt to “time” the markets. This allocation also has a major impact on the degree of risk inherent in the portfolio. The proportional mix of asset classes is the major determinant of the long-term risk and return characteristics of the portfolio as a whole.

4. Diversification within each of the major asset categories can also reduce both long-term risk and short-term volatility. By combining sub-asset classes with relatively low correlations, the portfolio can offset poor performance in some asset classes with good performance in other classes. Correlation measures the extent to which two asset classes move in tandem or in opposition to each other.

5. Equities (stocks and stock mutual funds) offer the potential for higher long-term returns than bonds or cash equivalents. Equities also have higher short term volatility and therefore more short term risk. Equities also have the potential for loss of principal although this has been rare for diversified portfolios over long periods of time (greater than 10 years). Investors seeking higher rates of return must increase the proportion of equities in their portfolio while accepting greater risk.

6. “Timing the market” is the frequent buying and selling of securities in an attempt to “beat the market”. Objective, academic research has consistently shown this practice to be ineffective. We avoid short-term “market timing” practices. However, we do consider the current valuation (price) of asset classes when making long-term investment decisions.

7. Minimizing the costs of investing is vital for long-term investment success. Research by Morningstar has determined that the level of fees charged by mutual funds is the most effective indicator of future returns (inverse relationship, i.e. higher fees predict lower returns). Costs matter because investment returns are reduced dollar-for-dollar by the fees, commissions and transaction expenses incurred. We will seek to minimize the cost of managing the portfolio.

8. Taxes can have a significant impact on the net performance of the portfolio. We will seek to minimize after-tax returns to the extent possible. However, taxes will not be the sole driver of investments decisions.

9. Investing is a process and not a single event. To be successful over the long term, the portfolio must be continually monitored and adjusted whenever the need arises. This includes establishing a target portfolio design (asset allocation) and then rebalancing back to that target whenever the portfolio becomes out-of-balance. This enforces the discipline necessary to sell when prices are high and purchase when prices are low.

8. A.3 Research and Analysis

We perform research and analysis in order to achieve two objectives:

1. Determine how much of each portfolio to allocate to each asset category and sub-category
2. Select the best mutual funds and exchange-traded funds to represent each category/sub-category.

Determining how much to allocate to each asset category/sub-category requires regular review of current and forecasted financial, economic and geo-political events. We review information and analyst reports from a wide variety of sources (see item 8.A.4 below). This research allows us to formulate expectations (assumptions) about how the price of various assets might change in the future. For example, if the demand for a particular commodity is expected to continue increasing at a growth rate that exceeds the growth rate of the supply for that commodity, then price increases might be expected to increase. The other key insight that we seek to determine from our research is the level of risk that may be inherent in each asset category. For example, if interest rates are at unusually low levels, then increases may be expected which would increase the risk of owning bonds or bond mutual funds. An understanding of the potential growth for each asset category combined with the expected level of risk provides the basis for allocating client funds in a manner that is consistent with the client's desire for growth and their tolerance for risk.

Selection of Mutual Funds and Exchange Traded Funds

We perform research to determine the best mutual fund and/or ETF to use for each asset category/sub-category. The basic information used in this research is listed in item 8.A.4 below. While many factors are used to analyze mutual funds, following are the three primary criteria used in our selection process:

Morningstar Fiduciary Grade

Morningstar grades mutual fund companies' adherence to fiduciary standards on a scale of A to F. We primarily use fund companies with an A or B rating but will not go below a C.

Fund Performance

We favor funds whose "total return" has a record of equaling or beating the benchmark and category average over the past 1,3 and 5 year periods. We pay particular attention to how the fund has performed during strong markets and weak markets. For indexed mutual funds and ETFs, we look to see how well the fund has tracked its underlying index. Since each asset category can have several different indexes, we review the various indexes to determine which index most closely aligns with the investment objectives of our clients.

Cost

As described in "Investment Principles" (item 8.A.2 above,) cost is a key factor in successful investing. We use only low cost, no-load, indexed mutual funds and ETFs.

"Loads" are synonymous with sales commissions in financial industry jargon and our clients do not pay commissions to mutual fund companies for the purchase or sale of securities.

Whenever we elect to utilize a "managed" mutual fund, we favor funds with an annual recurring fee below the category average as calculated by Morningstar.

8. A.4 Sources of Information

We obtain information and data from various sources, such as Morningstar, Ibbotson, NAPFA, The Wall Street Journal, Standard and Poors, The Journal of Indexes, Financial Advisor Magazine, Advisor Perspectives, The Journal of Accountancy, American Association of Individual Investors, The American Institute for Economic Research, Knowledge at Wharton, Casey Research, S&A Advsors, Gluskin Shef, Litman/Gregory, finance and economics.org, Financial Intelligence Reports, Seeking Alpha, as well as the annual reports and prospectuses of Mutual Fund/ETF companies.

8.A.5 Risk of Loss

All investment programs have certain risks that clients should be prepared to bear. Our investment approach constantly keeps the risk of loss in mind and seeks to minimize this risk through strategic asset allocation, rebalancing and adherence to sound investment principles. Following is a list (partial) of investment risks that investors typically face:

- 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 and natural disasters may trigger market events.
- Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as 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. Also, securities denominated in US Dollars are subject to erosion of purchasing power if the value of the dollar declines.
- 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.

8. B Material Risks Pertinent to Each Investment Strategy

We utilize a single investment strategy which is described in item 8.A. The method of analysis and material risks of this strategy are also explained in item 8.A. Our investment strategy does not involve frequent trading of securities. When selecting managed mutual funds we look for fund managers that do not trade frequently since research has proven frequent trading to be a net detractor from performance. Indexed funds and ETFs (our primary securities) trade very infrequently.

8. C Types of Investment and Related Risks

We recommend primarily no-load, indexed mutual funds and exchange traded funds. The material risks involved are explained in item 8.A.5 above. In addition to those risks, investors may incur the risk of low liquidity. This exists for mutual funds/ETFs that trade very infrequently (thinly traded). Thinly traded securities can have a wide spread between the bid price and the ask price. The bid price is the price at which the client can sell the security and the ask price is the price at which the client can purchase the security. The difference represents the profit extracted by the securities broker/dealer. In addition, thinly traded securities can be difficult to sell in a rapidly declining market. We minimize these risks by avoiding thinly traded securities. We do not invest in thinly traded securities.

We occasionally recommend investments in “closed end” mutual funds. These are mutual funds which purchase an initial “basket” of securities and then issue shares that are traded like individual stocks on the major exchanges. The shares of closed end funds can trade at a price above (premium) or below (discount) the market value of the individual securities held by the fund. Investors in these funds incur the risk of purchasing at a premium price and then selling when the fund is trading at a discount. We minimize this risk by purchasing closed end funds only at a discount or at a “reasonable” premium.

Item 9 Disciplinary Information

We are required to disclose all material facts regarding any legal or disciplinary events of SFA or certain management personnel which would be material to your evaluation of SFA or the integrity of SFA’s management of your investment portfolio.

9. A Criminal or civil actions

SFA and its employees have not been involved in any criminal or civil actions in a domestic, foreign or military court.

9.B Administrative proceedings

SFA and its employees have not been involved in any administrative proceedings before the SEC, other federal regulatory agencies or any state regulatory agencies.

9C. Self Regulatory Organizations (SRO)
SFA and its employees have not been involved in any self regulatory organization (SRO) proceedings.

Item 10 Other Financial Industry Activities and Affiliations

10. A Broker-Dealer Affiliations
Neither SFA nor any employee is registered as a broker/dealer or registered representative of a broker/dealer.

10.B Futures and Commodity Affiliations

Neither SFA nor any employee is registered (or have an application pending to register) as a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of the foregoing entities.

10. C Related Person Affiliations

SFA has no arrangements with a related person who is a broker-dealer, investment company, other investment advisor, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships

10. D Affiliations with Other Investment Advisors
We do not recommend or select other investment advisers for clients.

Item 11 Code of Ethics

11. A Summary Description of Code of Ethics

We seek to avoid material conflicts of interest. Accordingly we do not accept any third party direct monetary compensation (i.e., commissions, 12b-1 fees, or other fees) from brokerage firms (custodians) or mutual fund companies. We have developed a detailed Code of Ethics and Personal Trading Policy. This Policy is available to any client or prospective client upon request by contacting Terry Seaton at 904-825-4203 or email (terryseaton@bellsouth.net). Following is a brief summary of the Code of Ethics:

1. The interests of clients will be placed ahead of the firm's or any employee's own financial interests.

2. We will conduct ourselves with integrity and dignity when dealing with clients, prospects, and other professionals.

3. We will strive to maintain and continually enhance our professional knowledge regarding fiduciary investing principles, asset allocation, financial planning, tax planning, estate planning and risk management.

4. We will seek at all times to preserve our independence and maintain complete objectivity with respect to the advisory services and recommendations made to clients.

5. Employees are expected to conduct their personal securities transactions in accordance with the Personal Trading Policy and will strive to avoid any actual or perceived conflict of interest.

6. Employees are expected to comply with federal and state of Florida securities laws.

7. As more fully discussed within our Privacy Policy, employees are expected to exercise diligence and care in maintaining and protecting client information.

11. B Interest in Recommended Securities

We do not have a material financial interest in securities that we recommend to clients or that we buy or sell for client accounts.

11. C Personal Trading

SFA manages only highly liquid securities such as mutual funds, exchange traded funds, heavily traded equity securities (exchange listed stocks), corporate bonds, municipal bonds and government bonds. The overall size and daily trading volumes of these securities on the national stock exchanges is so large that it is not reasonable to assume that employee trades in these securities in their personal accounts will have a material impact on the value of the securities. We invest our own personal savings in the same securities that we recommend to clients to demonstrate our strong belief in our recommendations.

11. D Contemporaneous Trading

We recommend to clients and buy/sell securities for client accounts at or about the same time that we buy/sell the same securities in our own personal accounts. As stated this does <u>not</u> generate a conflict of interest due to the types of securities we recommend.   The overall size and daily trading volumes of these securities is so large on the national stock exchanges that it is not reasonable to assume that employee trades in these securities in their personal accounts will have a material impact on the value of the securities.

Item 12 Brokerage Practices

12.A Broker Selection Practices

SFA utilizes the custodian and broker/dealer services of TD Ameritrade Institutional (TDAI). TDAI was selected based on a range of factors including, scope of services, quality of services, level of support, financial strength and cost of executing transactions. Taken as a whole, SFA believes TDAI represents the "best execution" alternative for its clients. The reasonableness of commissions charged by TDAI is determined by comparison with other custodians that provide similar custodianship functions of a similar quality. Price is an important, but not the only criteria used to select a custodian. SFA receives no monetary compensation or client referrals from TDAI. As described in Item 12.A.1 below, SFA receives certain non-monetary benefits (soft dollars) as a result of its participation in TDAI's advisor services program.

12. A.1 Research and Other Soft Dollar Benefits

In order to avoid material conflicts of interest, SFA does not receive any third party direct monetary compensation (i.e. commissions, 12b-1 fees, or other fees) from brokerage firms , custodians or mutual fund companies. However, some non-monetary benefits (soft dollars) are provided to SFA as a result of our participation in the advisory services program (ASP) of TD Ameritrade Institutional. These benefits include (a) receipt of duplicate trade confirmations and account statements; (b) access to a trading desk serving ASP participants exclusively; (c) access to the investment advisor portion of the ASP web sites which includes practice management aids, compliance updates and investment research materials; (d) access to other vendors on a discounted fee basis through discounts arranged by TD Ameritrade Institutional; (e) permitting SFA to access an electronic communication network for client order entry and various account maintenance information. These non-monetary benefits received from TD Ameritrade Institutional are not material and in no way impact the investment advice made to clients of SFA.

12. A.1.a

We custody our client's assets with TD Ameritrade Institutional and we participate in the advisory services program (ASP) of TD AMERITRADE INSTITUTIONAL. While there is no direct linkage between the investment advice given and participation in the ASP program, economic benefits are received which would not be received if we did not custody assets with this custodian.

12. A.1.b

As a fiduciary, we strive to act in our clients' best interests. However, our desire that clients maintain many of their assets in accounts at TD AMERITRADE INSTITUTIONAL may be based in part on the benefit to us of the availability of some products and services (previously described) at no cost to us, or at reduced costs, and not solely on the nature, cost, or quality of custody and brokerage services provided by the brokers, and this may create a potential conflict of interest. Our clients may, therefore, pay higher transaction fees, commissions (for individual stock, mutual fund and ETF trades), than those charged by other discount brokers. However, we believe TD Ameritrade Institutional represents the “best execution” alternative for our clients. Also, please note that we prefer to utilize a custodian who possesses significant size and financial resources, for purposes of enhanced safety of clients’ funds. For all of these reasons, we may not always utilize the lowest cost custodian.

12A.1.c

We do not cause our clients to pay trading commissions higher than those charged by other broker-dealers in return for soft dollar benefits. In the event our clients pay higher transaction fees than they could obtain from other custodians, we believe the benefit of using TD Ameritrade Institutional justifies the higher fees.

12A.1.d

Soft dollar benefits (administrative and research) received from TD Ameritrade Institutional are used to service all client accounts.

12. A.1.e

See answer to 12A.1 above.

12. A.1.f

We do not direct client transactions to particular broker-dealers for any reason including the receipt of soft dollar benefits. As explained above, we elected to use TD Ameritrade Institutional as the custodian for our client accounts for a number of reasons having nothing to do with the receipt of soft dollars.

12. A.2 Brokerage for Client Referrals

We do not receive client referrals from broker-dealers.

12. A.3. Directed Brokerage

Clients are permitted (but not required) to direct us to utilize their desired brokers. However, if such brokers are utilized, we may not possess access to certain mutual funds and other investments that are generally available only to institutional investors or which would require a significantly higher minimum initial investment, and commission rates paid or transaction fees paid may be higher than the fees negotiated by us.

12. B Aggregation of Orders

We have chosen to not aggregate (combine) the trades of various clients. This is due to the fact that all trade decisions are based on the unique financial and tax attributes of each client, which requires individual analysis of most trading decisions. This individual analysis of trades does not lend itself to computer software programs which could aggregate trades. As a result, our clients do not receive the benefits of reduced transaction fees such aggregation of trades could provide to our clients, generally.

Item 13 Review of Accounts

13. A. Periodic Account Reviews and Reviewers

We review client accounts semi-annually or more frequently if dictated by either a material change in market conditions or a change in client status. These reviews are conducted by the Owner/President to determine if the portfolio design and security components continue to be appropriate for the return requirements and risk tolerance of the client. The results of these reviews are communicated to the client in writing and clients are also encouraged to meet with us to discuss the results. In addition, quarterly reviews of each mutual fund's performance and overall investment strategy are conducted to determine if they should continue to be used in the portfolios or replaced. The maximum number of accounts reviewed by the Owner/President is 25.

13. B Other Account Review Triggers

Other conditions that may trigger a review include changes in the tax laws, new investment information, and changes in a client's own situation.

13. C Content of Regular Reports

Clients receive monthly account statements directly from the independent account custodian (TD Ameritrade Institutional). Clients also receive trade confirmations directly from the custodian whenever trades are made within any of their accounts. The direct receipt of trade confirmations from the custodian insures that the client is always notified of trades that are made in their accounts and is an important internal control for the client. As discussed in 13.A. above, clients also receive semi-annual reports from SFA which focus on the investment performance relative to client goals, benchmarks and risk tolerance. In addition, SFA conducts annual reviews of each client's total financial plan (includes non-investment areas such as insurance, estate plan, etc). Results of these reviews are communicated to the client in writing and verbally if the client wishes. Clients are encouraged to participate in these reviews.

Clients may also directly access account information on-line for accounts held at TD Ameritrade Institutional each and every business day, via the TD Ameritrade Institutional's secure web site (www.clientadvisor.com).

Item 14: Client Referrals and Other Compensation

14. A Incoming Referrals

We are grateful to have received many client referrals over the years. The referrals come primarily from current clients, estate planning attorneys, accountants and professional organizations. The firm does not compensate referring parties for these referrals.

14. B Referrals Out

We do not accept referral fees or any form of remuneration from other professionals when we refer a prospect or client to them.

Item 15 Custody

It is our policy to not accept custody of a client's securities. In other words, we are not granted access to our clients' accounts which would enable us to withdraw or transfer or otherwise move funds or cash from any client account to our accounts or the account of any third party (other than for purposes of fee deductions, as explained below). This is for the safety of our clients' assets.

However, with a client's consent, we may be provided with the authority to seek deduction of our fees from a client's accounts; this process generally is more efficient for both the client and the investment adviser, and there may be tax benefits for the client to this method when fees can be paid from certain tax-deferred accounts of clients.

All of our clients for whom we manage assets on a discretionary basis receive account statements directly from TD Ameritrade Institutional. You should carefully review these account statements, and compare them to the semi-annual or other reports we make available to you. We urge all of our clients to compare statements in order to ensure that all account transactions, including deductions to pay advisory fees, remain proper, and to contact us with any questions.

Despite the best efforts of any firm to safeguard client's assets, fraud could still occur. While we hope that our clients trust our firm, and we have never had an instance of theft of client funds, we believe it is nevertheless important for clients to verify their investment holdings.

We also encourage clients to timely compare the account statements received from us with those received directly from TD Ameritrade. Should the client detect any unauthorized trading in an account, or unauthorized transfers of cash or securities, they are asked to contact Terry L. Seaton, Owner/President, at 904-825-4203 or via his cell phone (904-540-1845). Please note that we have never had any unauthorized withdrawals or transfers from our clients' accounts; your assistance in reviewing your monthly and/or quarterly account statements aids us in deterring any such activity in the future.

Item 16: Investment Discretion

We accept limited forms of discretion over clients' accounts, with the consent of the client. Discretionary trading authority facilitates placing trades in client accounts on their behalf so that we may promptly implement the investment strategy that has been approved by the client.

Each client's grant of discretion is evidenced in the Wealth Management agreement signed by the client, and is further evidenced to the custodian through a limited power of attorney contained in the account application form signed by the client.

Nearly all clients appoint us as their agent and attorney-in-fact with respect to undertaking trades in their accounts and performing limited administrative duties. Please note that we prefer to contact clients in advance of trades, even though the Limited Power of Attorney authorizes us to make trades without prior discussions with the client. Moreover, we seek to limit the number of trades in client accounts, in order to keep transaction fees, other expenses, and tax consequences associated with trading to minimal levels. Also, objective research suggests that frequent trading results in poor investment performance.

Rebalancing in the event of a major asset class valuation fall

The discretionary authority you provide to us allows us to sell securities owned by you, on the same day, when in our judgment a significant fall in the value of a stock asset class has occurred (or may occur) which may affect a substantial number of our clients. It is possible that not all client accounts in which trades should be undertaken will be attended to on the day of, or day following, a major stock market or asset class decline in value. However, not all client accounts will need trading on such a day. On such days we will not typically possess the time to discuss planned trades with each client in advance, due to the large number of trades to be undertaken.

Item 17: Voting Client Securities

A. Policy and Procedure for Voting Client Securities

Not applicable. As a matter of SFA policy and practice, we do not accept authority to vote proxies on behalf of clients.

B. Client Proxy Voting Information

As a matter of SFA policy and practice, we do not accept authority to vote proxies on behalf of clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Generally, clients will receive their proxies or other solicitations directly from the custodian or transfer agent. However, clients may call or e-mail us with questions regarding a particular proxy.

Item 18: Financial Information

18. A Balance Sheet

A Balance Sheet is not required to be provided because we do not require or solicit prepayment of more than $500 per client, six months or more in advance. We also do not serve as a custodian of client funds.

18. B Financial Condition Disclosure

We do not have any financial conditions that will preclude us from meeting contractual commitments to clients.

18. C Bankruptcy Disclosure

We have never been the subject of a bankruptcy petition.

Item 19: Requirements for State-Registered Advisers

19. A Principal Executive Officers

Terry L. Seaton is the principal executive officer for SFA. Information about his formal education and business background can be found in the Supplement to this Brochure.

19. B Business Activities Other Than Investment Advice

In addition to providing investment advice, we also engage in a wide variety of financial planning activities including, retirement planning, tax planning, college planning, asset protection and insurance planning.   About 40% of our time is spent on providing these services.

19. C Performance Based Compensation

We do not receive performance-based compensation.

19. D Judgments

D.1 Arbitration

An arbitration case has never been filed against SFA.

D.2 Civil, SRO and Administrative Proceedings

We have never been involved in a civil, self-regulatory organization or administrative proceeding of any type.

19. E Relationship with Issuer of Securities

We do not have any relationships with any issuer of securities.

See the following pages for Brochure Supplement, Part 2B

Brochure Supplement (Part 2B)

Item 1: Cover Page

1. A.1

Name: Terry L. Seaton CPA, PFS, CFP™
Address: 4406 Coastal Hwy, St Augustine, Fl., 32084
Tel. Number: 904-825-4203

1. A.2

Firm Name: Seaton Financial Advisors, LLC
Firm Address: 4406 Coastal Hwy, St Augustine, Fl., 32084
Firm Tel. Number: 904-825-4203

1. A.3

Date of Supplement: March 5, 2018

1. B

This *Brochure Supplement* provides information about Terry L. Seaton that supplements the Firm Brochure of Seaton Financial Advisors, LLC.

Additional information about Terry L. Seaton is available on the SEC's website at www.adviserinfo.sec.gov **and at** www.seatonfinancial.com**.**

Item 2: Educational Background and Business Experience

Name: Terry L. Seaton
Date of Birth: September 15, 1949

Educational Background:
Bachelor of Science – Industrial Engineering, University of Florida, 1971
Masters of Business Administration (MBA), University of Florida, 1973

Business Experience
Since 2002 Terry has provided financial planning and investment management services to clients in northeast Florida on a fee-only/fiduciary basis. Prior to 2002, Terry held numerous positions with AT&T including Director- Revenue Requirements, Director-Accounting Policy & Internal Controls, Director-Business Case Development and General Manager- Jacksonville Operations (BellSouth Entertainment).

Professional Certifications

Certified Public Account (CPA)
CPAs are licensed and regulated by state Boards of Accountancy. Requirements for certification:

- Complete a Bachelors Degree from an accredited college plus 30 semester hours in excess of the bachelor's degree to include a total education program with concentration in accounting and business.
- Complete a minimum of 1 year work experience under the supervision of a CPA.
- Successfully pass the four-part Uniform CPA Exam.
- Complete 80 hours of continuing professional education every two years.
- Comply with a rigorous *Code of Professional Conduct*.

Personal Financial Specialist (PFS)
The PFS certification is issued and regulated by the American Institute of CPAs. Requirements for certification:

- Possess a valid CPA license
- Complete 3,000 hours of personal financial planning business experience.
- Successfully pass a comprehensive financial planning exam
- Be an active member of the American Institute of CPAs (AICPA).
- Complete 60 hours of continuing professional education every 3 years.
- Comply with the AICPAs *Code of Professional Conduct*.

Certified Financial Planner ™ (CFP™)
Certified Financial Planners are licensed by the CFP Board of Standards to use the CFP mark. CFP™ certification requirements:

- Complete a Bachelors Degree from an accredited college or university.
- Complete an advanced college-level course of study addressing key financial planning subject areas such as investment planning, retirement planning, tax planning, estate planning, risk management and employee benefits.
- Successful completion of the 10-hour (over two days) CFP® Certification Exam.
- Complete three years of qualifying full-time work experience.
- Agree to be bound by CFP Board's Standards of Professional Conduct, as set of documents outlining the ethical and practice standards for CFP™ professionals.
- Complete 30 hours of continuing education hours every two years (including two hours on the Code of Ethics) to maintain competence and keep up with developments in the financial planning field.

Professional Organization Memberships

- National Association of Personal Financial Advisors (NAPFA)
- American Institute of CPAs (AICPA)
    - National Financial Literacy Commission
- Florida Institute of CPAs (FICPA)
    - Board of Directors – 2008 to 2013
    - Financial Literacy Committee (2008-2013, past Chair)
    - Chapter Operations Committee (2008 to 2013, past Chair))
    - Investment Policy Committee (2012-2015, Chair)

Community Service

- Advisory Board – Bartram Trail High School Academy of Business & Finance
- Active in teaching financial literacy to teenagers at local high schools and county libraries.
- Active in developing and delivering adult financial literacy educational programs on behalf of the FICPA.
- Advisor for the Building Homes for Heroes program (2014-present)

Item 3: Disciplinary Information

Neither SFA nor Terry L. Seaton has ever been involved in any legal or disciplinary events of any kind.

Item 4: Other Business Activities

Terry L. Seaton is not actively engaged in any other investment related business/occupation and is not registered (nor has an application pending to register) as a broker-dealer, registered representative, futures commission merchant, commodity pool operator, or commodity trading advisor.

Item 5: Additional Compensation

No compensation or economic benefit is received from anyone other than clients.

Item 6: Supervision

Not applicable.

Item 7: Requirements for State-Registered Advisers

Nothing to report beyond the information listed in Item 3 above.