

## Form ADV Part 3: Relationship Summary Seneca Financial Advisors LLC

### Introduction

Seneca Financial Advisors is an investment adviser registered with the U.S. Securities and Exchange Commission. We offer our clients investment advisory services. Clients should understand that the services we provide and fees we charge are different than those of a broker-dealer, and that it is important to understand the difference between the two. Free and simple tools are available to research firms and financial professionals at <https://www.investor.gov/CRS>, which also provides educational materials about investment advisers, broker-dealers and investing.

### What Investment Services and Advice Can You Provide Me?

**Description of Services:** Seneca Financial Advisors offers the following investment advisory services to retail investors. For more information about our services, please see **Item 4** of our **Form ADV Part 2A**.

Financial and Tax Planning Services involves us creating and updating a plan to cover your overall financial situation and setting long-term financial goals plan through investments, tax strategies, asset allocation, risk management, retirement planning, and other areas.

Investment Management Services involves us managing and trading your designated account(s). We will discuss your investment goals and design a strategy to try and achieve your investment goals. We will continuously monitor your account when providing investment management services and contact you at least annually to discuss your portfolio. When engaging us for investment management services, you can choose whether you'd like us to provide services on a **discretionary** basis (we will have the authority to determine the type and amount of securities to be bought or sold in your account) or a **non-discretionary basis** (we will have to confirm any trades in your account with you before we place them). For more information about investment authority, please see **Item 16** of our **Form ADV Part 2A**.

Investment Consulting Services involves us providing services in the form of oral advice and written recommendations. These services are somewhat similar to Investment Management Services, except we do not implement any recommendations. We do not provide on-going reviews of accounts through this service and information about such accounts is limited to information you provide. You will have the sole discretion to accept or reject our advice and must implement all trades in such accounts because we will have no access to your accounts included in this service.

**Limited Investment Offerings:** We do not primarily recommend one type of security to clients. Instead, we recommend investment portfolios designed to be suitable for each client relative to that client's specific circumstances and needs. However, we are limited in investment selection in that we can only invest your account in securities which are available on your custodian/broker-dealer's platform. When providing you services, we do not recommend or offer advice on any proprietary products.

**Account & Fee Minimums:** There are no minimum investment amounts or conditions required for establishing an account managed by us.

**Conversation Starters:** *Given my financial situation, should I choose an investment advisory service? Why or why not? How will you choose investments to recommend to me? What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

### What Fees Will I Pay?

**Description of Principal Fees & Costs:** Fees for financial planning, tax planning, investment consulting, and investment management services will be charged in one or more of three ways: (1) Annual Fixed Fee. Our standard fee is \$5,000 per year but can range between \$4,000 and \$60,000 depending on scope and complexity. The fixed fee will be divided into four quarterly installments payable in arrears and pro-rated for partial quarters. (2) Hourly Fees. Rates range from \$100 - \$500 per hour, depending on the nature and complexity of the client's circumstances and the individual providing the service. Hourly fees are billable and due as earned. (3) Percentage of Assets Under Management (AUM). AUM fees are billed in arrears on a quarterly calendar basis and calculated based on the fair market value of your account as of the last business day of the current billing period. The annual AUM fee will be based upon a fee schedule which ranges between 0.40% and 1.0%. Because an AUM fee is based upon the value of your account we have an incentive to recommend that you increase the level of assets in your account. When engaging us for services, you will also incur other fees and expenses. For example, the broker-dealer/custodian on your account can charge transaction fees for executing trades for certain types of securities in your account. You will also be charged internal fees and expenses by the funds we recommend or invest in within your account.

**Additional Information:** You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. For more information about the fees we charge and the other fees and expenses you will incur, please see **Item 5 of Form ADV Part 2A**.

**Conversation Starters:** *Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

### **What Are Your Legal Obligations to Me When Acting as My Investment Adviser? How Else Does Your Firm Make Money and What Conflicts of Interest Do You Have?**

**Standard of Conduct:** When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means. (1) When we provide investment management services, we will ask that you establish an account with Charles Schwab & Company, Inc. or Fidelity Investments Inc. to maintain custody of your assets and to effect trades for your account. Our recommendation to use Schwab or Fidelity is not based solely on your interest of receiving the best execution possible. We also recommend Schwab and/or Fidelity because they provide us with research, products and tools that help us manage and further develop our business operations. As a result, we do not have to pay for such benefits, which save us money; however, these arrangements create a conflict of interest. (2) Because one of our Financial Advisors, Joe Votava, is a licensed attorney with Seneca Legal Advisors, we have a conflict of interest when we recommend the legal services of Seneca Legal Advisors to our clients. (3) To the extent we recommend you roll over your account from a current retirement plan to an individual retirement account (“IRA”) managed by us and subject to our asset-based fees, this is a conflict of interest because we have a financial incentive to recommend you move your IRA to our firm.

**Conversation Starters:** *How might your conflicts of interest affect me, and how will you address them?*

**Additional Information:** For more information about our conflicts of interests and the ways we are compensated, please see **Item 5, Item 10, Item 11, Item 12, and Item 14** of our **Form ADV Part 2A**.

### **How Do Your Financial Professionals Make Money?**

**Description of Salary/Payment of IARs:** We compensate our investment adviser representatives with a flat salary and customary bonuses based on firm and individual performance. Some of our investment adviser representatives are also compensated via profit sharing, which is dependent on the level of revenue they generate for the firm. This creates a conflict of interest as it gives your representative an incentive to recommend investing with us due to the potential for increased compensation.

### **Do You or Your Financial Professionals Have Legal or Disciplinary History?**

**No.** Neither us, nor our investment adviser representatives have a legal or disciplinary history to report. You can look up more information about us and our investment adviser representatives at <https://www.investor.gov/CRS>.

**Conversation Starters:** *As a financial professional, do you have any disciplinary history? For what type of conduct?*

### **Additional Information About Seneca Financial Advisors**

Additional information about us and a copy of this relationship summary are available on the Internet at [www.senecafinancialadvisors.com](http://www.senecafinancialadvisors.com). You can also find our disclosure brochures and other information about us at <https://adviserinfo.sec.gov/firm/summary/152824>. If you have any questions or want an up-to-date copy of this relationship summary, we can be reached by phone at 585-203-1211.

**Conversation Starters:** *Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?*

## Amended Form ADV Part 3: *Relationship Summary*

### Seneca Financial Advisors LLC Summary of Material Changes Exhibit

January 2024

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This is a Summary of Material Changes to our Form ADV Part 3, which describes the material changes since our Form ADV Part 3 was last filed in July 2021. Changes to our Form ADV Part 3 include the following:

1. We added a new conflict of interest example in the **Standard of Care** section, which states:
  - a. (3) To the extent we recommend you roll over your account from a current retirement plan to an individual retirement account (“IRA”) managed by us and subject to our asset-based fees, this is a conflict of interest because we have a financial incentive to recommend you move your IRA to our firm.
  
2. We changed the *How Do Your Financial Professionals Make Money?* response so that it now reads:
  - a. **Description of Salary/Payment of IARs:** We compensate our investment adviser representatives with a flat salary and customary bonuses based on firm and individual performance. Some of our investment adviser representatives are also compensated via profit sharing, which is dependent on the level of revenue they generate for the firm. This creates a conflict of interest as it gives your representative an incentive to recommend investing with us due to the potential for increased compensation.