

Part 2A of FORM ADV Firm Brochure

Eames Financial, 2 Twombly Court, Morristown, NJ 07960

This brochure provides information about the qualifications and business practices of Eames Financial ("Eames"). If you have any questions about the contents of this brochure, please contact us at 973-539-2855

FEBRUARY 6, 2017

ITEM 2 MATERIAL CHANGES

On July 28, 2010, the United States Securities and Exchange Commission amended Part 2 of Form ADV. Part 2 of Form ADV sets forth the minimum requirements for the disclosure statement that investment advisors must deliver to their advisory clients and prospective advisory clients. Investment advisors must update the information in their brochure at least annually. In lieu of providing clients with an updated brochure each year, we will provide existing advisory clients of Eames with this Item 2 summary describing any material changes occurring since the last annual update of the brochure. We will deliver a brochure or summary each year to existing clients within 120 days of the close of the calendar year. Clients wishing to receive a complete copy of the then-current brochure may request the complete brochure at no charge by contacting Eames at 973-539-2855

Amendments to Form ADV Part 2A, Disclosure Brochure

This section describes the material changes to Eames' Brochure since its last annual amendment on March 31, 2016. Clients wishing to receive a complete copy of our current Brochure, dated February 6, 2017, may request a copy at no charge by contacting Eames at 973-539-2855

Items 1 thru 19

Brochure completely revamped and updated. See attached

Amendments to Form ADV Part 2B, Brochure Supplement

Brochure supplement completely revamped and updated. See attached

Additional information about Eames is available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Eames who are registered, or are required to be registered, as investment advisers.

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ITEM 4 ADVISORY BUSINESS

The principal and owner of the firm is James W. Higley. Founded in 1994, Eames Financial strives to provide superior investment management and financial counseling services to individuals seeking assistance in managing or coordinating their increasingly complex investment and financial affairs. Our services are tailored to the individual needs of our clients and our goal is to provide strong investment performance and intensive personal service. As of 2/6/2017, client assets managed on a non-discretionary basis totaled \$102 million.

The fundamental principals underlying our business are comprehensiveness, objectivity, proactivity and confidentiality:

Comprehensiveness ensures that our advice and recommendations are based upon a complete understanding of your entire personal and financial circumstances. We take the time to thoroughly understand your situation, needs and priorities and strive to build the high level of trust needed to sustain long term working relationships.

Objectivity assures our clients of fair and impartial analysis and recommendations. We have no "in house products". The entire spectrum of financial services and products is available to us, limited only by the individual merits of the products and services themselves and their ability to help you achieve your objectives.

Proactivity assures you that we will be forward looking, that we will take a personal interest in your well being, that we will anticipate problems or concerns and that we will continually strive to help you accomplish your objectives.

Confidentiality assures you that personal and financial information will, at all times, be used carefully and professionally. This information will never be divulged to any person or institution without your specific authorization.

Our investment approach is a multi-step process in which we:

- Determine the financial goals and investment objectives of our clients
- Establish the time horizon over which we will be investing
- Understand and quantify the risk tolerance of our clients
- Review tax considerations affecting investment policy
- Select suitable asset types based upon historical and projected risk and return parameters
- Evaluate alternative approaches and recommend the most appropriate one

Once these "strategic" investment management decisions have been made, the decisions will be implemented in one or more of several different ways. Individual account management through Eames Financial, individual account management through outside investment managers, or commingled account management through mutual funds. If outside individual account managers or mutual funds are used, Eames Financial will evaluate and recommend appropriate individuals or companies/funds and monitor their performance.

We maintain broad levels of industry diversification within our portfolios. This assures us of a return approximating a "market" return and allows us to minimize risk. Superior individual stock selection and management, within the framework of broad industry diversification, allows us to provide superior performance. Individual stock selection is based upon fundamental analysis of the companies.

Separately, or as part of coordinated work in managing portfolios, Eames Financial will provide detailed analysis, specific recommendations and help with implementation in any of the following areas:

Estate Planning

- Review appropriateness of existing testamentary documents and recommend changes where appropriate including alternative dispositive provisions, trust arrangements, special needs provisions, and fiduciary selection criteria.
- Coordinate beneficiary designations with testamentary plan.
- Project estate expenses and income availability to surviving family.
- Planning techniques for the charitably inclined including lifetime giving programs.
- Postmortem planning.
- Planning for generation skipping taxes.
- Life insurance trust planning.
- Fiduciary tax return preparation

Income Tax Planning

- Project current income tax liability, withholding analysis and estimated tax payment planning.

- Review previous income tax returns and/or preparation of current returns.
- Year-end tax planning.
- Individual income tax return preparation.
- Recommend appropriate forms of ownership for existing and new businesses.
- Review income tax implications of employee benefit elections.
- Planning for charitable gifts.

Insurance Planning

- Review adequacy of life, health, liability, property, casualty and disability coverages, and the level of deductibles.
- Preparation of life insurance inventory and needs analysis.
- Review of loan values, dividend options and special riders under life policies.
- Objective evaluation of proposed life insurance.

Retirement Planning

- Retirement income analysis.
- Social security benefits analysis and planning.
- Analysis of lump sum vs rollover of qualified plan distributions.
- Review of retirement insurance needs including long term health insurance.
- Review of employee benefit options and elections.
- Calculation of IRA minimum distribution requirements.

Employee Benefits

- Coordinated life insurance coverage analysis.
- Stock option planning.
- Review of retirement plan options and elections.
- Review of investment alternatives under employee benefit plans and coordination with overall investment portfolio and objectives.
- Analysis of income deferral opportunities including company savings plans.

ITEM 5 FEES AND COMPENSATION

Fees for investment and financial counseling services are negotiable and reviewed periodically. They may be based upon a percentage of assets under management (up to 1%), a fixed annual fee (as negotiated), or an hourly rate (up to \$175 per hour). At their option, clients can be billed for fees incurred or have fees deducted from assets. If a client's assets are invested in a mutual fund, or exchange-traded fund, the client may incur additional expenses and fees as a shareholder of those mutual or exchange traded funds. These additional expenses may include: advisory/management fees, distribution fees, administrative expenses, and other fund operating expenses. Clients wishing to obtain more information about the fees and expenses that may apply due to investing in mutual funds or exchange-traded funds should contact Eames or review the relevant prospectus(es) for the underlying mutual funds or exchange-traded funds in which the clients' assets are invested. Also see Item 12 for additional information about the types of brokerage and other transaction costs that Eames clients may incur.

ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Not Applicable

ITEM 7 TYPES OF CLIENTS

Eames provides investment management and financial counseling services to individuals, trusts, and charitable foundations. There are no minimum account size requirements

ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Fundamental analysis and broad industry diversification are the bases for Eames portfolio construction and management. Investing in securities involves risk of loss which clients should be prepared to bear. Portfolios are individually tailored to not only meet clients' objectives but to match clients' tolerance for risk as well. Clients may place reasonable restrictions on the management of their accounts or direct Eames to sell, or to avoid selling, particular securities for the purpose of realizing a capital loss or avoiding a capital gain.

Specific investment risks include:

Credit Risk – If debt obligations held by an account are downgraded by ratings agencies, go into default, or if management action, legislation or other government action reduces the issuers' ability to pay principal and interest when due, the obligations' value may decline and an account's value may be reduced.

Foreign Investment Risk – Investments in securities of foreign issuers may involve additional risks including fluctuations in currency exchange rates, political instability, confiscations, taxes or restrictions on currency exchange, difficulty in selling foreign investments, and reduced legal protection.

Interest Rate Risk – When interest rates increase, the value of the account's investments may decline. This effect is typically more pronounced for intermediate and longer term obligations. When interest rates decrease, the account's current income may decline.

Liquidity Risk – Due to a lack of demand in the marketplace or other factors, an account may not be able to sell some or all of the investments promptly, or may only be able to sell investments at less than desired prices.

Management Risk – An account's value may decrease if Eames pursues unsuccessful investments or fails to correctly and promptly identify risks affecting the broad economy or specific issuers comprising the accounts.

Market and Economic Risk – An account's investment value may decline due to changes in general economic and market conditions. A security's value held in an account may change in response to developments affecting entire economies, markets or industries, including changes in interest rates, political and legal developments, and general market volatility.

Prepayment Risk – Decreases in market interest rates may result in prepayments of obligations in the account, requiring the account to reinvest at lower interest rates.

Risks Affecting Specific Issuers – The value of an equity security or debt obligation may decline in response to developments affecting the specific issuer of the security or obligation, even if the overall industry or economy is unaffected. These developments may comprise a variety of factors, including but not limited to management issues or other corporate disruption, political factors adversely affecting governmental issuers, a decline in revenues or profitability, an increase in costs, or an adverse effect on the issuer's competitive position.

Smaller Company Risk – Investments in smaller companies may involve additional risks because of limited product lines, limited access to markets and financial resources, greater vulnerability to competition and changes in markets, lack of management depth, increased volatility in share price, and possible difficulties in valuing or selling the investments.

ITEM 9 DISCIPLINARY INFORMATION

Not Applicable

ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Not Applicable

ITEM 11 CODE OF ETHICS, PARTICIPATION OF INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Eames' Code of Ethics was adopted pursuant to SEC rule 204A-1 and will be provided to any client or prospective client upon request.

The principal of Eames may, on occasion, buy or sell securities for himself that he recommends or buys or sells for client portfolios. These are typically large cap, domestic equities trading on major exchanges with substantial float where client portfolios would not be adversely affected. No transaction would be effected if it were adverse to clients' interests.

ITEM 12 BROKERAGE PRACTICES Selection of Broker-Dealers to Execute Transactions in Client Accounts General Practices

Eames' objective in effecting portfolio transactions is to use its best efforts to obtain the best available price and most favorable execution. "Best available price and most favorable execution" is defined to mean the execution of a particular transaction at the price and commission which provides the most favorable cost or proceeds reasonably obtainable under the circumstances. Clients may designate the registered representative and brokerage firm to execute their transactions in the investment management agreement. In this case the clients may negotiate commission rates with the registered representative or other representative of the designated firm. If trading errors occur for which Eames is responsible, Eames' policy is to make the client whole by correcting the error (i.e., to restore the

client's account to the position it would have been in if the error had not occurred).

ITEM 13 REVIEW OF ACCOUNTS

Client accounts are reviewed on a periodic and regular basis. Depending upon the level of comprehensiveness requested by the client, this may be done on a quarterly, semi-annual, or annual basis. Reports include confirmation of transactions, monthly statements of account positions and activity, realized and unrealized gain/loss statements, and individual security and account performance reports.

ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

Not Applicable

ITEM 15 CUSTODY

Under SEC Rule 206(4)-2, Eames may be viewed for regulatory purposes as having custody of certain client assets due to Eames' ability to deduct fees directly from certain client accounts. Eames encourages each client to review the custodial reports the client receives directly from the client's broker-dealer, bank or other custodian, and to compare the reports, if any, they receive from Eames. If you have any questions on the information the custodian or Eames provides, please contact Eames.

ITEM 16 INVESTMENT DISCRETION

Eames may enter into an investment management agreement with a client whereby the client grants Eames sole investment authority and Eames assumes the investment duties relating to account assets. Pursuant to the Investment Management Agreement terms, Eames is generally not required to obtain specific client consent for specific securities to be bought or sold. If investment discretion is granted, investment decisions are made using the clients' investment objectives and risk tolerance as guidelines. The client may further outline specific investment parameters within which investment decisions should be made.

ITEM 17 VOTING CLIENT SECURITIES

Clients of Eames may elect to vote proxies themselves or to delegate this authority to Eames. Eames will vote proxies solely in the client's best interests with the overall goal of maximizing the growth of our clients' assets. Toward this end, Eames generally votes proxies that will further the underlying securities' long-term economic value. We consider each proxy proposal on its own merits, and we make an independent determination of the advisability of supporting or opposing management's position. Management recommendations should be given substantial weight, but we will not support management proposals we believe are detrimental to the underlying value of our clients' positions. We usually oppose proposals that dilute the economic interest of shareholders, and we also oppose those that reduce shareholders' voting rights or otherwise limit their authority. With respect to takeover offers, Eames will evaluate independent assessments of the attractiveness of an offer and the "value" it represents. If the offer approaches or exceeds our value estimate, we will generally vote for the merger, acquisition or leveraged buy-out. Eames may decline to vote in a number of situations, including where an issue is irrelevant to the Proxy Voting Policy's voting objective, or where Eames believes it is impossible to ascertain what effect a vote may have on an investment's value (e.g., social issues), or where costs are prohibitive (e.g., foreign issuers). A copy of Eames' Proxy Voting Policy will be provided upon request.

ITEM 18 FINANCIAL INFORMATION

Eames has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, does not require or solicit prepayment of fees, and has not been the subject of a bankruptcy proceeding.

ITEM 19 REQUIREMENTS FOR STATE-REGISTERED ADVISORS

Educational Background and Business Experience of Principal Executive Officer

Name: James W. Higley Year of Birth: 1953

Designations: CFP (Certified Financial Planner)

Formal Education after high school:

B.S. in Economics from Allegheny College 1975

MSIA from Carnegie-Mellon University 1980

Business background experience for preceding years:

Principal, Eames Financial – 1994 to present

Portfolio Manager, Mellon Private Asset Management 1990 – 1994

For other business activities, see ADV Part 1

PRIVACY POLICY

Eames is committed to protecting the confidentiality of information clients send to us. Regulation S-P adopted by the SEC requires that we provide the following information to you:

1. WE DO NOT SELL YOUR PERSONAL INFORMATION TO ANYONE.
2. WE PROTECT THE CONFIDENTIALITY AND SECURITY OF YOUR PERSONAL INFORMATION THROUGH RESTRICTED ACCESS AND THE MAINTENANCE OF PHYSICAL, ELECTRONIC AND PROCEDURAL SAFEGUARDS.
3. WE DO NOT DISCLOSE PERSONAL INFORMATION TO THIRD PARTIES, UNLESS SPECIFICALLY AUTHORIZED BY YOU OR UNLESS SUCH DISCLOSURE IS REQUIRED BY LAW, FOR EXAMPLE TO COOPERATE WITH REGULATORS OR LAW ENFORCEMENT AUTHORITIES.
4. WE DO COLLECT PERSONAL INFORMATION IN THE NORMAL COURSE OF BUSINESS IN ORDER TO SERVE YOU BETTER.
5. WE USE YOUR PERSONAL INFORMATION TO FULFILL OUR REGULATORY OBLIGATIONS AND TO HELP US DELIVER THE BEST POSSIBLE SERVICE TO YOU.
6. WE CONTINUE TO EVALUATE OUR EFFORTS TO PROTECT PERSONAL INFORMATION AND MAKE EVERY EFFORT TO KEEP YOUR PERSONAL INFORMATION ACCURATE AND UP TO DATE.
7. WE WILL PROVIDE NOTICE OF ANY CHANGES IN OUR INFORMATION SHARING PRACTICES.

Eames Financial**Part 2B of FORM ADV Brochure Supplement**

James W. Higley

Eames Financial
2 Twombly Court
Morristown, NJ 07960
973-539-2855

February 2, 2017

This Brochure Supplement provides information about James W. Higley that supplements the Eames Financial brochure. You should have received a copy of that brochure. Please contact Eames Financial at 973-539-2855 for a copy of the brochure or if you have any questions about the contents of this supplement. **Additional information about James W. Higley is available on the SEC's website at www.adviserinfo@sec.gov**

Item 2- Educational Background and Business Experience

Name: James W. Higley Year of Birth: 1953

Designations: CFP (Certified Financial Planner)

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Business background experience for preceding years:

Principal, Eames Financial – 1994 to present

Portfolio Manager, Mellon Private Asset Management 1990 – 1994

Item 3- Disciplinary Information

None

Item 4- Other Business Activities

None

Item 5- Additional Compensation

None

Item 6 - Supervision

Not Applicable

Item 7 - Requirements for State-Registered Advisors

None

