

H.B. Gofman Associates, Inc.

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This brochure provides information about the qualifications and business practices of H. B. Gofman Associates, Inc. If you have any questions about the contents of this brochure, please contact us at 941-955-8100. 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 H.B. Gofman Associates Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

Summary of Material Changes Made Since Our Last Brochure:

- Updated with current assets under management values.

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Advisory Business

H. B. Gofman Associates, Inc. provides portfolio management for individuals, trusts, corporate entities (used in the broad sense to include corporation, LLCs, partnerships and the like) and employee retirement accounts. We have been in business since 1993 and are solely owned by Herbert B. Gofman. Our primary goal is to preserve and increase the value of our clients' capital. For each client, our strategy is flexible and tailored to the individual account. We pay careful attention to taxes, diversification and income requirements.

We purchase individual stocks, bonds and cash equivalents (for example, money market funds) for each client account. We tailor the ratio of stocks and bonds and cash equivalents in a portfolio to the needs and wishes of each client and account. Clients may issue restrictions on investing in certain types of investments. We limit our expert investment advice to individual stocks and bonds and cash equivalents. We do not offer wrap fee programs.

When we purchase bonds for a client account, we primarily look to U.S.-issued treasury bills, notes and bonds. We may purchase other government-issued bonds as appropriate for the individual client, including municipal bonds used selectively on an individual account basis.

We do not purchase mutual funds for our clients. Mutual funds arriving with a new client account may be retained or liquidated depending on the individual situation of the client.

We manage client assets on both a discretionary and non-discretionary basis. Currently we will only accept new discretionary accounts. Discretionary authority lets us determine which investments are bought and sold, which brokers or dealers will handle the transactions and the commission rates to be paid to the brokers or dealers.

As of December 31, 2016, H.B. Gofman Associates, Inc. managed \$ 96,405,905 in client assets on a discretionary basis

As of December 31, 2016, H.B. Gofman Associates, Inc. managed \$ 4,627,109 in client assets on a non-discretionary basis.

Fees and Compensation

Advisory Fees

We charge an investment management fee as a percentage of the market value of assets under management.

We charge our fee to each client account at the following annual rates:

- .70% of the market value of the account, up to \$2,000,000; plus
- .30% of the market value of the account in excess of \$2,000,000, up to \$5,000,000; plus
- .20% of the market value of the account in excess of \$5,000,000.

The fees are calculated at the end of each quarter based on the market value of the account(s) at that time, then divided by four to arrive at the quarterly fee. The fees are deducted directly from the client accounts.

Exceptions to the above fee schedule may be negotiated on an individual basis.

Custodial Fees

We require that our clients obtain custodial services from either J.P. Morgan Chase Private Bank or Morgan Stanley. We selected J.P. Morgan and Morgan Stanley due to their reliability, reputation, integrity, record keeping capability, efficient delivery of information and efficient execution of orders. Both J.P. Morgan and Morgan Stanley charge their fees directly to our clients' accounts.

J.P. Morgan Custodial Fees

J.P. Morgan charges custodial fees and, in some cases, a maintenance fee.

Each client account using J.P. Morgan is charged its pro-rata portion of a custodial fee based on the aggregate value of all of our client accounts at J.P. Morgan. J.P. Morgan charges its fee at the following annual rates:

- .25% of the aggregate market value of all accounts, up to \$1 million; plus
- .15% of the aggregate market value of all accounts in excess of \$1 million, up to \$5 million; plus
- .10% of the aggregate market value of all accounts in excess of \$5 million, up to \$50 million; plus
- .05% of the aggregate market value of all accounts in excess of \$50 million.

After calculating the aggregate custodial fee for all of our accounts at J.P. Morgan, the fee is allocated to such accounts prorated on the basis of the market value of each account relative to the aggregate market value of all such client accounts.

J.P. Morgan's custodial fees are charged at the end of each quarter based on the market value of the accounts at that time, then divided by four to arrive at the quarterly fee.

J.P. Morgan also charges a \$1,000 annual maintenance fee to clients with accounts having assets with a market value of \$200,000 or more, payable quarterly based on the clients' account holdings as of the end of each quarter.

Each of J.P. Morgan's fees, if applicable, are deducted directly from the client accounts.

Morgan Stanley Custodial Fees

Morgan Stanley charges a \$75 annual fee for each client IRA account and \$150 for each individual or trust account. In addition, clients using Morgan Stanley custodial services are required to execute all trades through Morgan Stanley's brokers (please see the Brokerage Practices section later in this brochure).

Brokerage Fees

Clients will incur brokerage fees for trades made in their accounts. Please see the Brokerage Practices section later in this brochure for detailed information.

Mutual Fund Fees

We do not purchase mutual funds for our clients, although mutual funds that come with a new client account may be retained in some cases. Clients who retain mutual funds will in effect pay two advisory fees. First, the clients will pay our advisory fees based on the market value of the mutual fund amounts. Second, the clients will indirectly bear management fees and marketing and distribution fees charged by the mutual fund managers, which are assessed as an expense to the funds.

Commissions

We do not receive compensation for the sale of any security or other investment product.

Performance Based Fees

We do not charge performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of client assets.

Types of Clients

We specialize in personalized portfolio management for individuals, trusts, corporate entities (used in the broad sense to include corporation, LLCs, partnerships and the like) and employee retirement accounts.

We do not require a minimum account size. In general, however, we recommend that accounts have at least \$500,000 in assets, so that we can adequately diversify the account. We consider smaller accounts on an individual basis.

Methods of Analysis, Investment Strategies, and Risk of Loss

Method of Analysis

We select stocks for our clients primarily using a fundamental analysis approach – that is, we review a company's past and current earnings, assets, sales, liabilities, products and other similar data in the context of current economic conditions. We use that data to estimate the company's value. We look for companies that, based on our research, have stock share prices undervalued by the market.

Our fundamental analysis approach uses data based on past history to predict future performance and stock value. Clients should be aware that future performance may not conform to our predictions. In addition, using fundamental analysis runs the risk that our interpretation of the data and the valuation it implies may prove to be incorrect.

Investment Strategies

We believe that well-selected stocks provide the best returns for our clients over time. We make purchases of stocks with the intent that they will be held long-term (i.e., a year or longer). Cash equivalents and bond positions are used based on market conditions and the clients' needs for income and risk tolerance and may be purchased for the long term or the short term depending on the client's needs.

United States large capitalization quality growth stocks represent the greatest part of our aggregate client portfolios. Depending on market conditions, we also recommend that

some of a client's portfolio should be invested in foreign equities, including those in emerging markets.

We invest our clients' bond portfolios in taxable and tax-free money market funds, short to medium term municipal bonds, and short and medium term U.S. government instruments. We select the specific type of bond based on individual tax circumstances and income needs.

Investing in stocks creates two risks: company-specific risk and market risk. Company-specific risk means that a company's financial results and stock price may be negatively impacted by that company's products, management, sales, research and development or legal actions, which can affect the investor by either driving the stock price below the price the investor paid for it or by the stock underperforming compared to foregone investments in other companies. Market risk means the risk that an investment in any company within a broader grouping (for example, larger companies versus smaller companies, or established markets versus emerging markets) will lead to underperformance compared to an investment in companies in a different grouping. For example, in periods of rising global economic prosperity smaller companies and companies in emerging markets tend to outperform large capitalization stocks, while in periods of economic difficulties smaller companies and emerging markets tend to underperform.

Risk of Loss

Investing in stocks and bonds includes the risk that the investment may lose some or all of its value.

Stocks represent a share of ownership in a company. Many companies pay dividends to their shareholders, but in most cases the company has no obligation to do so. Many factors can influence stock prices, such as the state of the economy, market speculation by other investors, and most importantly the financial performance of the company. If the company does not perform well then in many cases its stock price will go down. If the company files for or is forced into bankruptcy, then the company's stock will be cancelled unless the company has enough assets to pay all of its creditors or the creditors agree to some other arrangement. The economic loss to a stockholder, however, is limited to the amount of money invested in that stock. We seek to minimize the risks associated with stocks by investing in many companies in many industries, otherwise known as diversification.

Unlike stocks, bonds must be repaid at some fixed time (maturity) and pay interest (either at fixed intervals or at maturity). Our client's bond positions are mostly in U.S. government debt (so called Treasury bills, notes and bonds), which carry the full faith and credit of the US government for the payment of interest and principal at maturity. We also invest in U.S. government agency bonds backed by the agency issuing them. For example, the Federal Home Loan Bank sells bonds to fund its loans to other banks

and financial institutions that in turn provide loans for homes and businesses. The Federal Home Loan Bank's bonds are payable from the agency's revenue streams from the loans it makes and are not guaranteed by the federal government.

For some client accounts we purchase so-called "municipal" bonds issued by a state, city or state or city agency and backed by either the treasury of the applicable state or city or by the general revenue of the applicable governmental agency or specific project the bonds fund, such as a bond funding a state toll road.

All bonds carry with them the risk of non-payment, or default, if the issuing government unit or agency is unable to pay interest or repay the principal at maturity, whether because the government unit or agency does not have sufficient funds or revenues or because the specific project does not generate enough income to cover the payments, as applicable.

Before its maturity, a bond's market price will rise and fall depending on the bond's interest rate relative to market interest rates. If the bond carries a lower interest rate than market rates, then the market price of the bond will fall, which means that if market interest rates rise after purchase then the value of the bond will decrease and will result in a loss if sold before maturity. If the bond is held to maturity the bond will repay its face value.

Because bond interest payments are generally fixed, they may not keep pace with inflation. Inflation in the prices of goods and services will shrink the buying power of interest payments relative to the time of bond purchase.

We seek to minimize the risk of default by investing in bonds rated AA or AAA by a recognized rating agency (for example, Moody's). Rating agencies base their bond ratings on their view of the likelihood the bond will be repaid. We seek to minimize the risk of loss of value due to interest rate changes and inflation by investing in short term bonds, meaning they mature and return principal in 4 years or less.

Disciplinary Information

Neither H.B. Gofman Associates, Inc. nor any of its management has been involved in any legal or disciplinary event.

Other Financial Industry Activities and Affiliations

Neither H.B. Gofman Associates, Inc. nor any of its management has registered or applied to register as or is associated with a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor. Neither H.B. Gofman Associates, Inc. nor any of its management has any relationship or arrangement with any person that is material to the firm's advisory business or its clients. We do not recommend or select other investment advisors for our clients or have any business relationship with other advisors.

Code of Ethics

We have adopted a Code of Business Conduct and Ethics, a copy of which is available to all clients and potential clients upon request. The Code has been adopted with the objectives of deterring wrongdoing and

- (1) providing standards of honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (2) promoting full, fair, accurate, timely and understandable disclosure in reports, which we file with the Securities and Exchange Commission, and in other public communications;
- (3) promoting compliance with applicable governmental laws, rules and regulations;
- (4) facilitating prompt internal reporting of violations of the Code; and
- (5) providing accountability for adherence to the Code.

Our personnel are required to fully comply with the Code, maintain the confidentiality of all client information and adhere to our Privacy Policy (a copy of which is available to all clients and potential clients upon request).

Per the Code, our personnel may not prefer their own interests to those of our clients. Our personnel may on occasion buy or sell the same securities that we buy or sell or recommend to our clients, which potentially creates a conflict of interest if a trade we recommend and execute for a client creates a market effect that benefits our personnel. For example, if a staff member were to purchase a stock, then execute a trade to buy a large amount of the same stock for a client (causing the stock price to rise), and then the staff member were to sell his shares of the stock at the higher price, he would have benefited personally from the client's transaction.

We seek to minimize these potential conflicts by the following measures to ensure that our personnel do not benefit from the short- or long-term market effects of our recommendations to clients:

- (1) All securities bought and sold by our personnel must be cleared in advance by Herbert B. Gofman, our Chief Compliance Officer, to ensure that our personnel's trades (whether buying or selling) do not benefit from the market effects of our clients' trades; and
- (2) Our clients' stock purchases must be executed before any stock purchases made by our personnel.

Our personnel report all personal securities trades to Mr. Gofman no less than quarterly and provide a written statement of securities holdings annually.

Brokerage Practices

For clients using J.P. Morgan as custodian, we select brokers based on their ability to obtain the best execution for a client's account after considering all relevant factors, including commission rates (which broadly includes commission, markups and markdowns), particular expertise in a type of security or transaction, financial responsibility, access to relevant markets, reputation, integrity, reliability, speed and efficiency of order handling and responsiveness. The broker with the lowest commission cost may not be the broker selected.

For clients using Morgan Stanley as custodian, we are required to direct all portfolio transactions through Morgan Stanley's brokers.

All of our selected brokers, including Morgan Stanley, provide us with their research reports and other services at no cost, although our brokers indirectly receive compensation through their commissions. Nevertheless, receiving research and services benefits our clients and us because we do not have to produce or directly pay for valuable information relevant to our investment decisions (although we do purchase our own research as well, such as Value Line Reports and the Wall Street Journal). The research and services we receive from our selected brokers include a broad variety of financial and related information and services, including written and oral research relating to the economy, industries or industry segments, or specific company, written financial data, electronic and other quotation market information systems, financial or economic programs and seminars, and other similar services.

Receiving research reports and such services could create a potential conflict of interest if it discourages us from using brokers that do not provide research or such services but may offer lower commission charges. We address this potential conflict by ensuring that commissions charged are reasonable in relation to the quality of the research and overall service provided. We believe that the brokers we select who provide research and similar services charge commissions competitive with brokers who do not provide research or such services. Currently, all of our selected brokers, including Morgan Stanley, provide us with research and execute trades at the same commission rates.

We periodically evaluate the brokers we use to determine if they provide the best value for our clients. We also regularly evaluate other brokers to see if they can provide better service or lower cost to our clients.

Although we cannot choose brokers to effect transactions for clients who use Morgan Stanley as custodian, we periodically review Morgan Stanley's services to determine whether to continue offering our clients the option of using Morgan Stanley.

We do not consider, in choosing a broker, whether the broker will refer clients to us.

We do not recommend, request or require that clients direct us to use a specific broker.

We frequently aggregate the purchase or sale of securities for more than one client account, allowing us faster executions for all clients. With our current negotiated broker commission rates, however, the cost to our clients for each trade is the same whether we aggregate multiple client trades or make a trade for a single account.

Review of accounts

H.B. Gofman Associates, Inc.'s President, Herbert Gofman, regularly reviews client accounts, although not on a specific schedule. Reviews are triggered by changes to our opinions about individual investments in our clients' accounts. A positive view of a particular security would trigger a review of all accounts for the purpose of increasing or initiating a position in that security. A negative view of a security would trigger a review of those accounts holding that security with the intent of reducing or eliminating a position. Other events triggering a review include changes to an account such as a material increase or decrease of client funds in the account or the client's need to liquidate investments.

We try to meet in person with as many clients as possible to discuss their accounts. Additionally we confer with clients by telephone on a regular basis. If requested by a client, we will provide an annual letter discussing the account.

Client Referrals and Other Compensation

We do not compensate anyone for referring clients to us.

Custody

Clients receive monthly statements from either J.P. Morgan or Morgan Stanley depending on their choice of custodian. Clients should carefully review their statements. Clients do not receive a separate statement from us.

Investment Discretion

We require each client to sign a contract indicating whether they are granting us discretionary authority to manage their accounts and make investment decisions, although a client may by contract impose specific limitations on our discretion, such as limiting the amount of bond investments in the account to a fixed percentage of the overall account value. In addition, our chosen custodians, J.P. Morgan and Morgan Stanley, each require that clients with custody accounts at their respective firms grant us Powers of Attorney allowing us to exercise that discretionary authority.

Voting Client Securities

We do not vote proxies on behalf of our clients or request the authority to do so. Our clients receive their proxies and other company solicitations directly from their selected custodian, J. P. Morgan or Morgan Stanley. Our clients may vote their proxies as they see fit and are welcome to contact us with questions about a particular solicitation.

Financial Information

We are not subject to any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to our clients, and we have not been the subject of a bankruptcy petition at any time.

Requirements for State-Registered Advisers

Herbert Burton Gofman founded H.B. Gofman Associates, Inc. in December 1993 and serves as its Chairman of the Board, President and Secretary. Before founding H.B. Gofman Associates, Inc. he served as Vice President – Portfolio Manager at Bankers Trust Company in New York, which he joined in 1985 after having held similar positions at Chemical Bank and The Northern Trust Company since 1969. Mr. Gofman earned a Bachelor of Business Administration degree and a Master of Business Administration degree, both from New York University.

Mr. Gofman is not engaged in any business other than providing investment advice. Neither he nor any person supervised by him receives any performance-based fees. He has not been involved in any arbitration, civil, self-regulatory organization or administrative proceeding, and he does not have any relationship or arrangement with any issuer of securities.

Brochure Supplement

March 15, 2011

This brochure supplement provides information about Stephen Michael McCormack that supplements the H.B. Gofman Associates, Inc. brochure. You should have received a copy of that brochure. Please contact Herbert B. Gofman if you did not receive H.B. Gofman Associates, Inc.'s brochure or if you have any questions about the contents of this supplement.

Educational Background and Business Experience

Mr. McCormack, D.O.B. 05/05/70, has been with H.B. Gofman Associates, Inc. since October 2000 and serves as a Portfolio Manager. His business address and phone number are that of the firm: 2055 Wood Street, Suite 200, Sarasota, FL 34237, 941-955-8100. He received a Master of Business Administration degree from the University of South Florida in 1999 and a Bachelors of Science, Aerospace Engineering degree from Saint Louis University in 1993.

Disciplinary Information

Mr. McCormack has not been involved in any legal or disciplinary event.

Other Business Activities

Mr. McCormack is not engaged in any business or occupation other than his position with H.B. Gofman Associations, Inc.

Additional Compensation

Mr. McCormack does not receive any economic benefits from any person in connection with providing advisory services other than his compensation received from H.B. Gofman Associates, Inc. Mr. McCormack does not receive a bonus based on the number or amount of sales, client referrals or new accounts.

Supervision

Mr. McCormack is supervised by Mr. Gofman. Mr. McCormack and Mr. Gofman jointly formulate investment and portfolio management ideas, which are approved by Mr. Gofman. Mr. Gofman pre-approves all of Mr. McCormack's personal trades and reviews his personal brokerage account.

Requirements for State-Registered Advisors

Mr. McCormack has not been involved in any arbitration, civil, self-regulatory organization or administrative proceeding, nor has he been the subject of any bankruptcy petition.