

H. A. Kramer & Associates, PA  
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Firm Brochure (Part 2A of Form ADV)

This Brochure provides information about the qualifications and business practices of H. A. Kramer & Associates, PA [“ADVISER”]. If you have any questions about the contents of this Brochure, please contact us at (954) 424-2487 or email info@hakapa.com. 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.

H. A. Kramer & Associates, PA is a State of Florida Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine whether to hire or retain an Adviser.

Additional information about H. A. Kramer & Associates, PA is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

March 21, 2018

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## **Material Changes**

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### **Material Changes – General Information**

The material changes section of this brochure must be updated annually or whenever material changes occur since the previous release of this Firm Brochure.

### **Annual Update – Material Changes**

Since the last update of our brochure on March 21, 2017, we have made the following changes:

- Change to the “Compensation for the Sale of Advisory Services” section under “Fees and Compensation” to require payment in advance.

### **Full Brochure Available**

We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting the firm at (954) 424-2487 or emailing [info@hakapa.com](mailto:info@hakapa.com). Our Brochure is also available on our website [www.hakapa.com](http://www.hakapa.com), free of charge.

Additional information about H. A. Kramer & Associates, PA is also available via the SEC’s website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with H. A. Kramer & Associates, PA who are registered, or are required to be registered, as investment adviser representatives of H. A. Kramer & Associates, PA.

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## **Advisory Business**

### **Firm Description and Principal Owner**

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H. A. Kramer & Associates, PA (“HAKAPA”) was first established in March of 1989 as Kramer Parker & Associates and became H. A. Kramer & Associates, PA in March of 1990. Howard Kramer founded and has always served as President of the firm. Howard is the sole principal and shareholder of H. A. Kramer & Associates, PA and is responsible for all the affairs of the firm. In August of 1999 H. A. Kramer & Associates, PA registered in the State of Florida as a Registered Investment Advisory firm (CRD# 141751).

### **Types of Advisory Services**

H. A. Kramer & Associates, PA provides personal fiduciary advice and life planning services (hereinafter “Advisory Services”) and consults with individuals, families and their related entities (trusts, estates and family businesses). HAKAPA works with clients to define objectives and to develop strategies for reaching those objectives, some of which may include, but is not limited to: identification of financial and personal issues and situations, cash flow and budget management, goal prioritization, business planning, tax analysis and planning, investment analysis and planning, risk analysis and insurance planning, education planning, pre and post retirement planning, estate planning, transition planning caused by death, divorce and/or disability, charitable goals, special needs planning, family business succession issues, and other matters specific to the client.

After all necessary data has been gathered from the Client, a plan is developed around the Client’s *Goals and Objectives, Issues and Situations, Commitments and Passions, Expectations and Intentions, Values, Legacy, History and Temperament.*

Advisory Services are customized to each client’s own particular needs, specific requests, and plans of action. Our focus is on helping clients make the most informed decisions.

Recommendations are based upon information and interaction provided by the client during meetings, as well as through other correspondence and independent research.

All decisions about whether and how to implement suggestions and recommendations rest entirely with the Client. The Client is free at all times to accept or reject all recommendations and suggestions. Under no circumstances does the firm take custody of any client funds or securities.

### **Planning and Advisory Services**

#### *Initial Plan Engagement*

HAKAPA gathers all necessary information to complete a thorough analysis using a financial profile, review meetings and personal interviews. Information gathered could include the Client’s current financial status, a list of assets, retirement benefits, insurances, tax returns, wills, trusts and other estate planning documents, monthly budgets, account statements, and any other information based upon the Client’s goals and objectives. Any and all documentation supplied by the Client is scanned, reviewed, and discussed with the Client.

All information provided by and to the Client will be kept entirely confidential. Such information will be disclosed to third parties only with mutual written consent or as may be permitted by law.

In general, the advisory services provided in the initial, foundational plan covers one or more of the following areas:

- **Financial & Personal Inventory & Goal Prioritization** – The first steps we take are often to determine where all resources are currently allocated, and evaluate where they can best be allocated. Tasks here include measuring net worth, income and expenses, discovery and goal planning, improving personal and family record keeping, saving regularly, navigating intra-family needs and relationships, and assembling and coordinating all resources available to Client.

- **Business Planning & Professional/Career Planning** – We assist the business owner with: (i) prioritizing short/long-term goals and aspirations; (ii) identifying business life cycle transitions caused by growth/expansion; (iii) analyzing business conditions; and (iv) succession planning issues that include evaluating buy/sell agreements and funding arrangements.
- **Tax Analysis & Planning** – We help you to understand the impact of various investments on current income and future tax liability. Provide proactive tax planning advice and recommendations to reduce income taxes. The firm is not qualified to offer accounting advice and does not prepare any accounting documents or tax returns. All tax planning recommendations should be reviewed by a client’s accountant and/or tax preparer.
- **Estate Planning** – You will learn the steps needed to a properly planned estate. We address financial concerns like wealth transfer, charitable giving and other outcomes relating to the disposition of estate(s). We determine survivor and dependent needs, beneficiary options, and anticipated capital needs at disability and/or death. The firm is not qualified to render legal advice and does not prepare any legal documents. All estate planning recommendations should be reviewed by a client’s attorney.
- **Transition – Death / Divorce / Disability / Dementia** – We analyze the effects of a parent, partner, or immediate family member’s death, divorce or incapacity. We help you to prepare for; the “third third” of life, a potential separation or divorce, interrupted retirement, or an unpredictable event that may impact the client’s plans.
- **Pre-and Post-Retirement Planning** – We provide an analysis of current social security claiming strategies and retirement income planning to help the client achieve their retirement goals. You’ll understand the impact of various pre- and post-retirement planning scenarios, we analyze financial products currently owned, and help the client create a dependable retirement income stream.
- **Investment Analysis & Planning** – We analyze Client’s current portfolio. Clients learn the benefits of diversifying assets across many different investment areas (stocks, bonds, real estate, other tangible assets, foreign and domestic, large and small, value and growth). Investment objectives, time horizons and volatility tolerance are determined and these factors combine to determine whether a particular portfolio should be structured for greater principal stability with corresponding returns, or for higher growth and increased volatility. These are all addressed in the Client’s *Investment Policy Statement*.
- **Risk Analysis & Insurance Planning** – We review existing policies and government benefits to measure the extent of coverage in the event of a premature death, disability or health care need. We evaluate Medicare, annuities, long-term care, critical illness and various other insurance coverage options and solutions. The firm is not qualified to review property or casualty policies, including homeowners and automobile policies. However, the firm strongly recommends that these important types of coverage merit review with a client’s property and casualty insurance agent or broker.
- **Education Planning** – We review options for the funding of educational expense needs for a client, a client’s children, grandchildren or other dependents. Review financial aid criteria and strategies, State savings plans, 529 plans, and other assistance to meet educational expense costs.

*Guiding the Plan - also known as the “LifeGuide” Engagement*

After the *Initial Plan Engagement*, H. A. Kramer & Associates, PA and the Client may choose to enter into a new advisory agreement to continue advice, guidance, and advancement of the Client’s plan. Ongoing advocacy for the goals and objectives of the Client’s plan is provided. The plan is adjusted in an effort to keep the Client on a successful course of action. On a semi-annual basis, the Client shall elect to continue the relationship with the Firm, make adjustments, or take a break. If any gap in the relationship exceeds 1 year, HAKAPA may require the creation of a new initial plan.

The advice, consultation and planning services that go beyond the *Initial Plan Engagement* is focused on the unique aspects of your life, and is referred to as “**LifeGuide**”. The following topics, each as requested by the Client will help to plan, achieve and protect the goals and objectives of the Client:

- **Cash Flow Strategy** – We gauge your comfort level and financial capacity for weathering changes in liquid net worth. Together we stay abreast of personal circumstances and can monitor for income, savings and spending needs.
- **Employment & Government Benefit Maximization** – We analyze employment and/or government benefits, pensions, tax-qualified plans, health plans, stock options, social security and Veteran’s benefits.

- **Tax Efficiency** – We review past returns and recommend tax strategies that strive to minimize income, business, and estate taxes.
- **Risk Awareness & Behavioral Finance Profile** – You’ll discover how core beliefs drive financial behavior. We’ll reveal, “What is your “money talk”?”
- **Retirement Income Maximization** – We’ll develop a distribution analysis and retirement income plan to help ensure that you can target your desired retirement and lifestyle goals while in distribution mode.
- **Financial & Legal Document Management** – We develop a strategy for how life changes are formally addressed as you plan for your estate, business, financial, and personal needs. We archive your most important documents so you can access them securely online, anywhere...anytime.
- **Real Estate, Debt & Mortgage Analysis** – We evaluate directly-owned real estate. We evaluate property ownership issues, costs and benefits. We analyze your current mortgage and other debt.
- **Charitable Giving & Philanthropic Intent** – We review existing and investigate new charitable giving opportunities, while developing a Charitable Giving Plan. Explore alternative giving opportunities for the next generations.
- **Income Protection** – Evaluate protection for your income in the event of disability or peril (sickness or accident).
- **Long-Term Care & Advocacy** – We plan for long-term care medical expenses by analyzing insurance and retirement protection tools and strategies. We advocate on behalf of our clients when challenged by insurance companies, caregivers, family, and government agencies.
- **Longevity Risk** – You’ll understand the expenses associates with living beyond expectation and how to implement and manage strategies for that eventually.
- **Health & Wellness** – We provide information and make recommendations specific to improving the client’s welfare. We review your health insurance, Health Savings Accounts, and other forms of protection.
- **Wealth Protection & Credit Score** – We identify potential exposures and discuss preventive tools and strategies to reduce risk exposure. Review assets exposed to ownership, liability, special needs, pre- and post-nuptial, and business dissolution issues.
- **Survivor, Dependent & Special Needs Protection** – We’ll show you how to provide income, asset protection, and estate liquidity for those who depend on you.
- **Property & Casualty Risk** – We help you to assess options for reducing the cost of insurance or to self-insure.
- **Account Titling & Beneficiary Review** – We conduct a regular review of how your assets are titled, who you’ve given powers to, and who you’ve named as beneficiaries.

## **Fees and Compensation**

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Upon termination of a *Client Advisory Services Agreement*, any prepaid, unearned fees will be promptly refunded, or any earned, unpaid fees will be due and payable.

### **Description**

The fee H. A. Kramer & Associates, PA will charge to develop a financial plan depends on the size, complexity, and nature of each client's personal and financial situation(s) and the amount of time it will take to analyze and summarize the plan and perform the advisory services desired by the client. All fees are negotiable and are typically determined by the amount of time anticipated to address each topic. The specific manner in which fees are charged by H. A. Kramer & Associates, PA is established in a written Client Advisory Services Agreement (“CASA or Agreement”) with H. A. Kramer & Associates, PA. Additional disclosures, potential conflicts of interest, and fees are fully disclosed and elaborated upon in this Agreement.

### **Compensation for the Sale of Advisory Services**

#### *“The Initial Plan Engagement”*

Fiduciary advice, consulting, and life planning services are offered on a fixed fee basis. Such fee will be fully disclosed up-front in the Agreement, which will include the cost to review the Client's information and prepare the financial plan.

#### *“Hourly”*

Advisor will upon occasion, for unengaged advisory relationships, provide advice on an hourly basis calculated as 1/4<sup>th</sup> of 1% of the annual gross income of the client(s), not to exceed \$500.00 per hour. For example, income of \$100,000 ( $\$100,000 \times 1\% \times .25 = \$250$  per hour). Our minimum hourly rate is \$250.

### *The “LifeGuide Engagement”*

Changes and adjustments in a client’s life; personal circumstances, the economy, taxes, laws, and random events are some of the reasons why a financial plan should be monitored, reviewed and adjusted on an ongoing basis. If the adviser, determines a need, and chooses to continue, and the client elects to continue using our advisory services after the initial engagement, a new agreement and fee will be negotiated to continue with our advisory and planning services. The ongoing fee is a semi-annual amount, paid quarterly, or semi-annually, in advanced.

### **Past Due Accounts and Termination of Client Advisory Services Agreement**

H. A. Kramer & Associates, PA reserves the right to stop work on any account that is more than 60 days overdue. In addition, H. A. Kramer & Associates, PA reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial issues and situations when necessary and appropriate to providing proper financial advice, per the judgment of H. A. Kramer & Associates, PA. Clients may terminate their agreement at any time by providing written notice.

Terminating clients will receive an itemized bill based on hourly rates for work completed, which shall be paid to H. A. Kramer & Associates, PA within 15 days of termination. Any unearned portion of fees collected in advance will be refunded within 30 days.

### **Compensation for Sale of Products**

H. A. Kramer & Associates, PA’s advisory services fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the Client. Should Client choose to implement HAKAPA’s recommendations, advice and/or the plan, Client may also incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund’s prospectus. Such charges, fees and commissions are exclusive of and in addition to HAKAPA’s advisory services fee, and H. A. Kramer & Associates, PA, as a Registered Investment Adviser, shall not receive any portion of these commissions, fees, and costs.

The Brokerage Practices section on page 14 further describes the factors that H. A. Kramer & Associates, PA considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

### **Performance-Based Fees**

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H. A. Kramer & Associates, PA does not charge any performance-based fees or any fees based on a share of capital gains on or capital appreciation of the assets of a client.

### **Types of Clients**

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H. A. Kramer & Associates, PA provides advisory services to individuals, families, high-net worth individuals, trusts and estates. Advice may extend to entities related to the client such as small businesses, corporate pension and profit-sharing plans, charitable institutions, foundations and endowments.

HAKAPA may not receive transaction-based compensation for implementing investment advice provided to a client regarding his or her employer-provided retirement plan assets.

Client relationships vary in scope and length of service. H. A. Kramer & Associates, PA does not impose a minimum dollar value of assets or other conditions for beginning or maintaining a relationship.

## **Methods of Analysis, Investment Strategies and Risk of Loss When Choosing to Implement HAKAPA's Advice and Recommendations**

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Investing in securities involves risk of loss that clients should be prepared to bear. There are no guarantees of a successful conclusion.

H. A. Kramer & Associates, PA employs various, on-going methods to evaluate how to best diversify assets across many different investment areas (stocks, bonds, real estate, other tangible assets, foreign and domestic, large and small, value and growth). Methods include trend-following and technical data (such as daily evaluation of an investment security's moving averages), as well as fundamental research (such as a review of an investment security's annual reports, prospectus, filings with the SEC, company press releases, as well as research materials prepared by rating services and others). Geopolitical as well as economic factors are regularly evaluated, and various subscriptions to news services are maintained.

Recommendations may include the shifting of funds across different asset classes and selecting particular investments within those classes. Mutual funds and exchange-traded funds are the usual way to capture exposure to broad asset classes. The types of investments that such mutual and exchange-traded funds might include the following: equity securities, both domestic and foreign issued, corporate debt securities, commercial paper, municipal securities, US government securities, options contracts on securities and commodities, futures contracts on tangibles and intangibles, interests in oil and gas and real estate. Evaluation of other investment options may include variable life insurance and annuity contracts as well as individual stocks and bonds and certificates of deposit.

A client's investment objectives, time horizon and volatility tolerance, in conjunction with the above universe of investment options are studied to help determine whether a client's investment portfolio should be structured for greater principal stability with corresponding lower returns, or for higher growth and volatility. The goal then becomes to target highly efficient investment allocations across major world asset classes in order to earn the highest expected return relative to the volatility assumed.

As a firm, H. A. Kramer & Associates, PA does not favor any specific method of analysis over another and therefore would not be considered to have one approach deemed to be a "significant strategy." There are, however, a few common approaches that may be used in the course of providing advice to clients. Please note that there is no investment strategy that will guarantee a profit or prevent loss.

Following are some common strategies discussed or recommended for the management of client accounts:

**Dollar Cost Averaging ("DCA"):** The technique of buying a fixed dollar amount of a particular investment on a regular schedule, regardless of the share price. More shares are purchased when prices are low, and fewer shares are bought when prices are high. DCA is believed to lessen the risk of investing a large amount in a single investment at higher price. DCA strategies are not effective and do not prevent against loss in declining markets.

**Asset Allocation:** An investment strategy that aims to balance risk and reward by allocating assets among a variety of asset classes. At a high level, there are three main asset classes—equities (stocks), fixed income (bonds), and cash/cash equivalents—each of which has different risk and reward profiles/behaviors. Asset classes are often further divided into domestic and foreign investments, and equities are often divided into small, intermediate, and large capitalization. The general theory behind asset allocation is that each asset class will perform differently from the others in different market conditions. By diversifying a portfolio of investments among a wide range of asset classes, advisors seek to reduce the overall volatility and risk of a portfolio through avoiding overexposure to any one asset class during various market cycles. Asset allocation does not guarantee a profit or protect against loss.

**Technical Analysis (aka "Charting"):** A method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value. Instead, they use charts and other tools to identify patterns that can suggest future activity.

When looking at individual equities, a person using technical analysis generally believes that performance of the stock, rather than performance of the company itself, has more to do with the company's future stock price. It is important to understand that past performance does not guarantee future results.

**Fundamental Analysis:** A method of evaluating a security that entails attempting to measure its intrinsic value by examining related economic, financial, and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (e.g., the overall economy and industry conditions) and company-specific factors (e.g., financial condition and management). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price, with the aim of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis.

**Quantitative Analysis:** An analysis technique that seeks to understand behavior by using complex mathematical and statistical modeling, measurement, and research. By assigning a numerical value to variables, quantitative analysts try to replicate reality mathematically. Some believe that it can also be used to predict real-world events, such as changes in a share price.

**Qualitative Analysis:** Securities analysis that uses subjective judgment based on nonquantifiable information, such as management expertise, industry cycles, strength of research and development, and labor relations. This type of analysis technique is different from quantitative analysis, which focuses on numbers. The two techniques, however, are often used together.

#### *Risk of Loss*

As mentioned above, regardless of what strategy or analysis is undertaken, there is risk of loss; in some cases, total loss. Some risks may be avoided or mitigated, while others are completely unavoidable. Some of the common risks you should consider prior to investing include, but are not limited to:

**Market risks:** The prices of, and the income generated by, the common stocks, bonds, and other securities you own may decline in response to certain events taking place around the world, including those directly involving the issuers; conditions affecting the general economy; overall market changes; local, regional, or global political, social, or economic instability; governmental or governmental agency responses to economic conditions; and currency, interest rate, and commodity price fluctuations.

**Interest rate risks:** The prices of, and the income generated by, most debt and equity securities may be affected by changing interest rates and by changes in the effective maturities and credit ratings of these securities. For example, the prices of debt securities generally will decline when interest rates rise and will increase when interest rates fall. In addition, falling interest rates may cause an issuer to redeem, "call," or refinance a security before its stated maturity date, which may result in having to reinvest the proceeds in lower-yielding securities.

**Credit risks:** Debt securities are also subject to credit risk, which is the possibility that the credit strength of an issuer will weaken and/or an issuer of a debt security will fail to make timely payments of principal or interest and the security will go into default.

**Risks of investing outside the U.S.:** Investments in securities issued by entities based outside the United States may be subject to the risks described above to a greater extent.

Investments may also be affected by currency controls; different accounting, auditing, financial reporting, disclosure, and regulatory and legal standards and practices; expropriation (occurs when governments take away a private business from its owners); changes in tax policy; greater market volatility; different securities market structures; higher transaction costs; and various administrative difficulties, such as delays in clearing and settling portfolio transactions or in receiving payment of dividends. These risks may be heightened in connection with investments in developing countries. Investments in securities issued by entities domiciled in the United States may also be subject to many of these risks.

Investments that are not bank deposits, are not insured or guaranteed by the FDIC or any other governmental agency, entity, or person, unless otherwise noted and explicitly disclosed as such, and as such may lose value.

### **Disciplinary Information**

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Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of H. A. Kramer & Associates, PA or the integrity of H. A. Kramer & Associates, PA' management. H. A. Kramer & Associates, PA has never had any legal or disciplinary events.

### **Other Financial Industry Activities and Affiliations**

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#### **Activities – Investments**

In addition to acting as President of H. A. Kramer & Associates, PA since 1999, Howard Kramer has been a FINRA Registered Representative and Investment Advisor Representative associated with Commonwealth Equity Services, Inc. Commonwealth Equity Services, Inc. is a FINRA-registered Broker/Dealer and SEC-registered investment adviser. Commonwealth Equity Services, Inc. has adopted the “doing business as” name of Commonwealth Financial Network®.

#### **Activities – Insurance**

Howard is also licensed with various state insurance departments. The State of Florida (License #A144520); State of California Department of Insurance (License #0A98137); State of Michigan (License #0142294); to offer and evaluate Life, Health, Disability, Long-Term Care and Variable insurance policies.

#### **Affiliations – CFP®, AIF®, FPA®**

##### **CFP®**

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and

- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

#### **AIF®**

Howard has earned the Accredited Investment Fiduciary® (AIF®) professional designation and has received formal training in investment fiduciary responsibility. The AIF designation certifies that the recipient has specialized knowledge of fiduciary standards of care and their application to the investment management process. To receive the AIF designation, individuals must complete a training program, successfully pass a comprehensive, closed-book final examination under the supervision of a proctor and agree to abide by the AIF Code of Ethics. In order to maintain the AIF designation, the individual must annually renew their affirmation to the AIF Code of Ethics and complete six hours of continuing education credits. The certification is administered by the Center for Fiduciary Studies, LLC (a Fiduciary fi360) company).

#### **FPA®**

The Financial Planning Association® (FPA®) is the leadership and advocacy organization which connects those who need, support and deliver financial planning. FPA’s 95 U.S. chapters represent tens of thousands of members nationwide. FPA also maintains relationships with 25 sister organizations around the world, representing 39 countries.

FPA fosters the value of financial planning and advances the practice and profession for its members, and the public at large. FPA believes all consumers deserve to receive professional care, quality and excellence, and that financial planning services should be delivered in accordance with the FPA Standard of Care.

In 2009 Howard served as President of the Greater Fort Lauderdale chapter of the FPA.

### **Code of Ethics & Participation or Interest in Client Transactions and Personal Trading**

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#### **Code of Ethics**

H. A. Kramer & Associates, PA has adopted and is committed to a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at H. A. Kramer & Associates, PA must acknowledge the terms of the Code of Ethics annually, or as amended. CFP® designees are also held to a Code of Ethics as outlined by the CFP® Board of Standards. AIF® designees are also held to a Code of Ethics as outlined by the Center for Fiduciary Studies™. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

#### **Participation or Interest in Client Transactions and Personal Trading**

H. A. Kramer & Associates, PA anticipates that, in appropriate circumstances, consistent with clients’ investment objectives, it will cause accounts over which Howard Allen Kramer, as an Investment Advisor Representative –, or Registered Representative –, of Commonwealth Financial Network has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which H. A. Kramer & Associates, PA, its affiliates and/or clients, directly or indirectly, have a position of interest. H. A. Kramer & Associates, PA employees and persons associated with H. A. Kramer & Associates, PA are required to follow H. A. Kramer & Associates, PA’s Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of H. A. Kramer & Associates, PA and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased

for H. A. Kramer & Associates, PA's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of H. A. Kramer & Associates, PA will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of H. A. Kramer & Associates, PA's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between H. A. Kramer & Associates, PA and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with H. A. Kramer & Associates, PA's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. H. A. Kramer & Associates, PA will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

H. A. Kramer & Associates, PA's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Howard Kramer.

It is H. A. Kramer & Associates, PA's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. H. A. Kramer & Associates, PA will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

### **Brokerage Practices**

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As mentioned in *Other Financial Industry Activities and Affiliations* on page 11, Howard Kramer also works as a FINRA Registered Representative and Investment Advisor Representative in association with Commonwealth Financial Network. Howard spends approximately 40% of his time engaged in the activities of a registered representative, offering securities on a fee basis and, infrequently, on a commission basis, with Commonwealth Financial Network.

Howard also works as an independent insurance agent, licensed with all the appropriate states' Departments of Insurance. In this capacity, he evaluates and offers various forms of insurance from which he will also earn a commission from an insurance company. Howard spends approximately 10% of his time offering such insurance services. The remainder of his time devoted to the work of the firm. Clients are advised that they are under no obligation to purchase insurance products recommended by Howard.

Howard may suggest that clients of the firm use Commonwealth Financial Network as the Broker/Dealer for executing securities transactions. Clients are not obligated to use Commonwealth Financial Network as the Broker/Dealer, and are free to use a Broker/Dealer of their choice. However, if a client wishes to implement planning or advice through Howard, then Howard may only use Commonwealth Financial Network to do so. Howard Kramer, in his dual capacity, as an Associated Person ("AP") of Commonwealth may offer clients the services of Commonwealth, an investment advisory firm registered with the US Securities and Exchange

Commission. In return, AP's will share in a portion of the advisory fees. Clients shall receive the appropriate adviser's Form ADV Part 2 or equivalent brochure.

Clients are under no obligation to purchase or sell securities with Howard. However, if a client chooses to implement investment recommendations with him, fees and/or commissions will be earned in addition to any fees paid to H. A. Kramer & Associates, PA for the planning services described in this brochure. Commissions and/or fees may be higher or lower through Commonwealth Financial Network than at other Broker/Dealers or investment advisers. Howard is restricted by securities regulations to only offering those products and services that have been reviewed and approved for offering to the public through Commonwealth. Howard has a conflict of interest in having clients purchase securities through Commonwealth. Howard attempts to mitigate this conflict of interest by disclosing the fact that clients are under no obligation to implement the financial plan through our firm, and by disclosing fully any fees or commissions that will be earned by Howard if the client chooses to implement the plan.

There is also a conflict in Howard placing insurance business through Commonwealth Financial Network's insurance agency relationships as well, because the higher the volume of business he places through Commonwealth Financial Network, the greater potential there is for Howard to obtain a higher pay-out on the commission business that he earns. Howard attempts to mitigate this conflict of interest by disclosing the fact that clients are under no obligation to implement the financial plan through our firm, and by disclosing fully any fees or commissions that will be earned by Howard if the client chooses to implement the plan.

Howard may also buy or sell securities identical to those securities recommended to clients. Therefore, Howard may have an interest or position in certain securities that are also recommended and bought or sold to clients. Any such securities transactions are likely to be insignificant in relation to the market as a whole. As a practice the transactions, if any, are executed after related client transactions have been executed. Howard does not put his interests before any client's interest and may not trade ahead of a client or trade in such a way to obtain a better price for himself than he does for any client. Howard maintains a list of all his securities holdings.

### **Review of Accounts**

The frequency of reviews is individually negotiated with each client. A set of recommendations and suggested plan of action is prepared for each client who has retained the firm's services. As the firm's President, Howard Kramer will consult and review the plan steps and answer any questions the client may have. Reviews can take place as an e-mail exchange, telephone conversations, Internet based or face-to-face. Reports can be sent in advance for the client to review. Comprehensive planning clients are provided with an initial report and are offered subsequent quarterly, semi-annual or annual reviews. These reviews will vary in focus at each review and may include asset allocation updates and rebalancing, performance reviews, tax and estate plan reviews, cash flow monitoring, and more.

After the initial engagement, further reviews are not offered unless the client requests additional ones. However, further reviews are suggested and encouraged to help ensure that the recommendations and suggested plan of action still reflect a client's financial goals and objectives and gives client the opportunity to accommodate any changes in the client's circumstances, (for instance, a job change, new marriage or divorce, retirement, disability, or death). Since the original advisory arrangement is valid for only six months, any client electing additional review meetings needs to create a new advisory arrangement by executing a new *Client Advisory Services Agreement*.

A client who does choose to implement investment recommendations using Howard Kramer's services as an Insurance Agent, Registered Representative or as Investment Advisor Representative does receive monthly, quarterly and/or annual statements and, at a minimum, annual account reviews, as well as various other reporting from applicable investment companies, product sponsors, and Commonwealth Financial Network as the Broker/Dealer.

## **Client Referrals and Other Compensation**

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### **Incoming Referrals**

H. A. Kramer & Associates, PA has been fortunate to receive many client referrals over the years. The referrals have come from current clients, estate planning attorneys, CPA's, employees, personal friends, family, neighbors and other sources. The firm does not pay for referrals.

### **Referrals to Other Professionals**

H. A. Kramer & Associates, PA does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred.

### **Custody**

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H. A. Kramer & Associates, PA does not have custody of client funds or securities.

Clients who choose to implement investment recommendations using Howard Kramer's services as a Registered Representative and/or as an Investment Advisor Representative receive at least quarterly statements directly from his Broker/Dealer, Commonwealth Financial Network. Statements are prepared by National Financial Services, the custodian that holds and maintains investment assets for Commonwealth Financial Network. Occasionally, qualified clients may invest in private placements or insurance contracts that are not held at National Financial Services. In these cases, statements are generally provided directly by the investment principal at least annually.

H. A. Kramer & Associates, PA urges you to carefully review all account statements and compare official custodial records to other account statements you may receive from Howard Kramer, acting in his capacity as a Registered Representative and/or as an Investment Advisor Representative, or any other account representative. Account statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

### **Investment Discretion**

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H. A. Kramer & Associates, PA does not maintain discretion to manage any security accounts

### **Voting Client Securities**

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As a matter of firm policy and practice, H. A. Kramer & Associates, PA does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. H. A. Kramer & Associates, PA may provide advice to clients regarding the clients' voting of proxies.

### **Financial Information**

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H. A. Kramer & Associates, PA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

### **Requirements for State-Registered Advisers**

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All of Howard's separate business activities and his activities as the principal and sole executive officer and management person of the firm have been described above.

Brochure Supplement (Part 2B of Form ADV)

Supervised Persons

**Howard Kramer**

H. A. Kramer & Associates, PA

941 SW 88<sup>th</sup> Terrace ♦ Plantation, FL 33324

(954) 424-2487 ♦ info@hakapa.com

[www.hakapa.com](http://www.hakapa.com)

March 21, 2018

**This Brochure Supplement provides information about Howard Kramer that supplements the H. A. Kramer & Associates, PA brochure. You should have received a copy of that Brochure. Please contact the firm at (954) 424-2487 or email info@hakapa.com if you did not receive H. A. Kramer & Associates, PA's brochure or if you have any questions about the contents of this supplement.**

**Additional information about Howard Kramer is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

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## Educational Background and Business Experience

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### Education and Business Standards

H. A. Kramer & Associates, PA requires that any employee whose function involves determining or giving investment advice to clients must:

- Have earned a four-year undergraduate degree and/or the equivalent and;
- Have at least 3 years practical experience in fields directly related to investments, insurance and financial planning, as well as the required examinations and qualifications;
- Be an attorney, or hold or be pursuing one of the following designations: Certified Financial Planner™ (CFP®), Certified Public Accountant (CPA), Certified Financial Analyst (CFA), or Chartered Financial Consultant (ChFC);
- Subscribe to the Code of Ethics of the Financial Planning Association (FPA) and the CFP® Board of Standards;
- Be properly licensed for all activities in which they are engaged.

### Professional Certifications

#### CERTIFIED FINANCIAL PLANNER™

CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”). The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planner to hold CFP® certification.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

**ACCREDITED INVESTMENT FIDUCIARY®**

AIF® designees are licensed by the Center for Fiduciary Studies, a part of the fi360 company, AIF certification requirements include:

- Successful completion of the 90-minute, closed-book, 60 question AIF exam, indicating at least 75% correct answers.
- Successful completion of six hours of continuing professional education, four hours of which are fi360 Training continuing education.
- Sign and agree to abide by a code of ethics.

**Howard Kramer, CFP®, AIF®, President of H. A. Kramer & Associates, PA**

Year of Birth: 1954

**Education Background:**

University of Cincinnati	1972 – 1973
Fort Lauderdale College of Business & Finance	1974 – 1975
Nova University	1978
The American College: Chartered Financial Consultant (ChFC)	1992
Chartered Life Underwriter (CLU)	1994

**Business Experience:**

FINRA Exams: Series 7, 24, & 63  
FINRA CRD #: 1742120

Certified Financial Planner (CFP®) Practitioner # 085854,	May 2003
Accredited Investment Fiduciary (AIF®) Designee # 4700AIF,	July 2010

**Business:**

H. A. Kramer & Associates, PA August 1989 - Present  
Positions: President

Commonwealth Financial Network September 1998 - Present  
Positions: Registered Representative ("RR")  
Investment Advisor Representative ("IAR")

**Disciplinary Information**

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Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Howard Kramer has no disciplinary history.

**Other Business Activities**

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Howard Kramer devotes approximately 50% of his time to duties other than financial planning services. In addition to financial planning, Howard Kramer is licensed to sell securities and various insurance products to clients as part of a full range of financial services offered by the Company and will assist the client in the implementation and monitoring of recommendations. Even though Howard Kramer is involved in other business activities, his ability to offer these other services compliments the advisory practices of the Company and does not present any inherent risks to the advisory client.

Any conflicting interest that may present itself while offering financial planning services to the client will be fully disclosed to the client prior to performing such services. These conflicts are discussed and explained in detail in the Client Service Agreement.

Howard Kramer is a Registered Representative with Commonwealth Equity Services, Inc. d/b/a Commonwealth Financial Network ("Commonwealth"). Commonwealth is a FINRA licensed broker/dealer (member FINRA/SIPC), and is also licensed as a broker/dealer with the States in which Commonwealth's or its representatives offer securities to clients. Howard is licensed through Commonwealth with FINRA as a Registered Representative and Investment Advisor Representative and may act as the advisory client's representative in the execution of securities transactions on a normal and customary basis.

Howard is also licensed with various state insurance departments. The State of Florida (License #A144520); State of California Department of Insurance (License #0A98137); State of Michigan (License #0142294) to offer and evaluate Life, Health, Disability, Long-Term Care and Variable insurance policies.

### **Additional Compensation**

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Clients are cautioned to consider their options carefully when Mr. Howard Kramer, or any future RA of the Company, recommends the purchase or sale of any securities or insurance products. Mr. Kramer is a commissioned "RR" and this creates a conflict of interest. The incentive on the part of Mr. Kramer is to recommend only those products in which he will receive a commission. Consequently, the objectivity of the advice rendered could be subjective and disadvantage the client.

When Howard Kramer manages investment portfolios as an "IAR" of Commonwealth, he receives compensation in the form of fees, which are deducted as a percentage of a portfolio's value.

There are also potential conflicts of interest when the Company and Mr. Kramer suggest the need for outside consultations and coordination (i.e., attorneys and CPAs) to implement certain aspects of an estate or tax plan. Even though Mr. Kramer does not share in any fees earned by an attorney or CPA when implementing an estate or tax plan, those people to which Mr. Kramer refers business can. As a result, this creates incentive on the part of Mr. Kramer and the Company to refer clients to only those professionals that may in turn refer potential clients to the Company. This can eliminate the possibility for the client to be referred to someone who may provide better services at lower cost. Consequently, the objectivity of the advice rendered by Mr. Kramer could therefore be subjective and disadvantage the client.

Therefore, to ensure clients understand all the relationships of Mr. Kramer and the Company to any related parties that Mr. Kramer may refer business, as well as the choices and risks clients have in receiving financial planning services, the following disclosures are provided:

- Clients may choose any broker/dealer to execute her securities transactions recommended within the financial plan. However, if the client wishes to have Mr. Kramer implement the recommendations made within the financial plan, then the broker/dealer used must be Commonwealth.
- Clients are under no obligation to have any related parties that the Company recommends prepare planning documents (i.e., estate, insurance, tax, etc.) Clients are free to choose those entities to implement any recommendations.
- Certain aspects of a financial plan require the assistance of a Registered Representative of a broker/dealer and/or licensed representative of insurance company to perform the transaction. Regardless of who performs the transaction, either Mr. Kramer or another licensed representative selected by the client, such person(s) will be entitled to earn a commission.
- If requested by the client to implement any insurance recommendations made in the financial plan, Mr. Kramer will execute such transactions through those insurance companies in which he is a licensed representative. Since Mr. Kramer only offers financial products from those insurance companies in which he is appointed, such insurance recommendations made in the financial plan are

limited to that pool of products. Therefore, it is possible that the client might be able to purchase a similar insurance product through another insurance company with higher ratings and better returns.

- The Company does not receive any direct economic benefit from referring clients to another professional. If an economic benefit should arise, the company will not act without first notifying the client of such possibilities.

With regards to all of these noted benefits and conflicts of interest, the Company strives to serve the best interest of the client; as well as, ensuring such disclosure is being properly made to clients in compliance with the Investment Advisor Act of 1940, Rule 275.206.

### **Supervision**

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A Chief Compliance Officer (CCO) is a corporate official in charge of overseeing and managing compliance issues within an organization, ensuring, for example, that a company is complying with regulatory requirements and that the company and its employees are complying with internal policies and procedures.

The job of the Chief Compliance Officer includes:

- Policy and Procedure Management -- defining, communicating, training and attesting to corporate policies and procedures.
- Compliance Monitoring -- evaluating and measuring the state of compliance across the organization.
- Investigations -- managing investigations into wrong doing and anything that violates regulatory/legal requirements.

Howard Kramer, as President of the firm also acts as the Chief Compliance Officer (CCO). He can be contacted at (954) 424-2487.

The specific advice given to clients is not being monitored by any other corporate officer within the firm.

### **Requirements for State-Registered Advisers**

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All of Howard Kramer's separate business activities and his activities as the principal and sole executive officer and management person of the firm have been described above.

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**H. A. Kramer & Associates, PA**

941 SW 88<sup>th</sup> Terrace

Plantation, FL 33324

Office: (954) 424-2487

Fax: (954) 424-2489

Website: [www.hakapa.com](http://www.hakapa.com)

Financial Planning offered through H. A. Kramer & Associates, PA, a Florida Registered Investment Adviser, are separate and unrelated to Commonwealth.

Securities and Fee-Based Asset Management offered through Commonwealth Financial Network®, member FINRA/SIPC, a Registered Investment Adviser.

Fixed Insurance products offered through CES Insurance Agency.

Rev. 03/21/2018