

HAMEL ASSOCIATES, INC.
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MARCH 25, 2015

This Brochure provides information about the qualifications and business practices of Hamel Associates, Inc. If you have any questions about the contents of this Brochure, please contact us. 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.

Hamel Associates, Inc. is a 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 to hire or retain an Adviser.

Additional information about Hamel Associates, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

In July of 2010, the Securities and Exchange Commission published its amendments to the Form ADV. Form ADV is the form Investment Advisory firms are required by the SEC to provide to clients. All disclosures that Advisory firms are required to make to clients are contained in that document. This Brochure dated March 25, 2015 is an amended version of the brochure that was dated March 25, 2014. This document is substantially the same in structure and information as the Brochure dated March 25, 2014.

This Item discusses specific material changes that are made to the Brochure and provide clients with a summary of such changes.

The first modification that has been made to this Brochure is that the address of Hamel Associates Inc. and the phone number for Hamel Associates, Inc. have been changed to reflect the current office address of Hamel Associates, Inc.

The second modification that has been made to this Brochure is that Item “**Client-Oriented Advising**” was amended to reflect the current value of assets Hamel Associates, Inc. currently manages.

The third modification that has been made to this Brochure is that the Item “**Fees and Compensation**” was amended to reflect the fact that the value of assets under management is recalculated either quarterly or annually, based upon the mutual agreement of the client and Hamel Associates, Inc.

In addition, the Brochure Supplement was amended to include a biography of Pamela Rafferty, Hamel Associates, Inc.’s newest financial advisor.

Currently, our Brochure may be requested by contacting our President, Pat Hamel, at (973)665-1400 or phamel@hamelassociates.com.

Additional information about Hamel Associates, Inc. is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with Hamel Associates, Inc. who are registered, or are required to be registered, as Investment Adviser representatives of Hamel Associates, Inc.

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Advisory Business

About Hamel Associates, Inc.

Hamel Associates, Inc. is a wealth management firm established in 1990. Hamel Associates, Inc. is committed to providing comprehensive fee based wealth management services to high net worth individuals, both domestically and abroad. Hamel Associates, Inc. offers an assortment of investment management, financial planning, and tax preparation services.

Pat Hamel, the president and founder of Hamel Associates, Inc., has over 30 years of experience assisting high net worth individuals manage their financial affairs. Prior to establishing Hamel Associates, Inc., Pat held senior positions in the personal financial planning groups of a money center bank and a Big 4 accounting firm. Pat holds an undergraduate degree in accounting and a master's degree in taxation.

About Advisory Services

Hamel Associates, Inc. devotes a significant portion of its resources to providing advisory services to clients. Hamel Associates, Inc. develops investment portfolios for clients in order to meet their goals and objectives. Ordinarily, Hamel Associates Inc. creates portfolios that contain a mixture of stocks and bonds. These holdings may consist of direct holdings or securities held indirectly through mutual fund investments. From time to time, portfolios may contain investments in precious metals, commodities, and other alternative investments.

In the case of very high net worth individuals, Hamel Associates, Inc. may introduce various private equity, venture capital, and real estate deals to clients. Hamel Associates, Inc. may also review similar deals upon a client's request.

Hamel Associates, Inc. also provides financial planning services to certain clients. These services are designed to develop an overall financial plan for clients. Hamel Associates, Inc. reviews various areas of financial planning, including income tax planning, cash management, investments, insurance, employee benefits, debt management, insurance, and estate planning.

Client-Oriented Advising

At the commencement of an investment advisory relationship, Hamel Associates, Inc. develops a plan with the client in order to set parameters concerning how assets under management should be invested. This includes a determination of the appropriate allocation of assets between stocks, bonds, and other investment classes. The client may direct Hamel Associates, Inc. to refrain from investing in certain securities or types of securities.

As of December 31, 2013, Hamel Associates, Inc. had assets under management of approximately \$342.3 Million. Of this amount, approximately \$311 Million was managed on a discretionary basis and \$31.3 Million was managed on a non-discretionary basis.

Fees and Compensation

The specific manner in which fees are charged by Hamel Associates, Inc. is established in a written agreement by and between the client and Hamel Associates, Inc. Hamel Associates, Inc. will generally bill its fees on a quarterly basis, in arrears. Clients may also elect to be billed directly for fees or to authorize Hamel Associates, Inc. to directly debit fees from client accounts. Hamel Associates, Inc. generally bills clients according to a fee schedule based on assets under management. Unless otherwise negotiated, the fee charged by Hamel Associates, Inc. is 1% of the first \$1,000,000.00 under management, $\frac{3}{4}$ of 1% of the next \$1,000,000.00 under management, and $\frac{1}{2}$ of 1% of all assets over \$2,000,000.00 under management. The value of assets under management is re-determined on a quarterly or annual basis, based upon mutual agreement of the client and Hamel Associates, Inc. However, if a significant addition or withdrawal, generally considered to be 5% of assets under management, occurs during the year, the value of assets under management will be re-determined. Additionally, Hamel Associates, Inc. will, from time to time, negotiate fee arrangements other than one based on assets under management, such as a negotiated flat fee. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any unpaid fees will be due and payable.

Fees charged by Hamel Associates, Inc. do not include brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment companies 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 the fee charged by Hamel Associates, Inc., and Hamel Associates, Inc. shall not receive any portion of these commissions, fees, and costs.

For a discussion of Brokerage Fees, see the section "Brokerage Practices."

Performance-Based Fees and Side-By-Side Management

Hamel Associates, Inc. does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Types of Clients

Hamel Associates, Inc. provides portfolio management services to individuals, which generally meet the definition of high net worth individuals, corporations and foundations. The majority of the clients for whom Hamel Associates, Inc. provides investment advisory services have assets under management of at least \$1,000,000; however, Hamel Associates, Inc. does not mandate that a client maintain a minimum account size in order to retain the services of Hamel Associates, Inc.

Methods of Analysis, Investment Strategies and Risk of Loss

Hamel Associates, Inc. employs a value-oriented approach to investing. When determining which stocks to purchase for a particular portfolio, Hamel Associates, Inc. gives significant consideration to the price of a stock vis-à-vis the value of the underlying business. Hamel Associates, Inc. is very cognizant of the market's perception of a particular stock and is more inclined to invest in stocks that are currently out of favor in the market. Hamel Associates, Inc. generally tends to favor dividend paying large capitalized stocks with strong balance sheets. Hamel Associates, Inc. generally purchases securities for the portfolios that it manages with the expectation that such securities will be held for a period of 2 to 5 years.

Hamel Associates, Inc. tends to invest a large portion of the fixed income portion of portfolios in investment grade bonds. Maturities of the bonds held in portfolios are predicated, to a large extent, by the prevailing interest rate environment.

While Hamel Associates, Inc. endeavors to limit the risk of the portfolios that it manages, virtually all asset classes contain some type of risk. These include market risk, interest rate risk, reinvestment risk, purchasing power risk, and exchange rate risk. Investments in private equity, venture capital, and real estate that may be appropriate for very high net worth individuals contain a higher level of risk due to the illiquid nature of these investments, as well as the leverage that may be inherent in these investments.

Disciplinary Information

Neither Hamel Associates, Inc., nor any of its officers or employees has ever been the subject of a complaint, disciplinary proceeding, federal administrative proceeding, state administrative proceeding, or legal action.

Other Financial Industry Activities and Affiliations

- (A) Neither Hamel Associates, Inc., nor any of its officers or employees are registered (or have applications pending to register) as a broker dealer, or a representative of a broker dealer.
- (B) Neither Hamel Associates, Inc., nor any of its officers or employees are registered (or have applications pending to register) as a futures commission merchant, commodity pool operator, commodity trading adviser, or an associated person of the foregoing entities.
- (C) Hamel Associates, Inc. has no relationships or agreements with any broker dealers, investment companies, other investment advisers, financial planners, futures commission merchants, banking institutions, accountants, attorneys, insurance agencies, pension consultants, real estate brokers, or sponsors/syndicators of partnerships. Hamel Associates, Inc., from time to time, may work in conjunction with the professionals retained by clients, such as attorneys and accountants, to ensure that a client's best interests are protected. Hamel Associates, Inc. receives no compensation from these professionals.

Code of Ethics

Hamel Associates, Inc. has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and that it takes the fiduciary duty owed to its clients seriously. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, 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 Hamel Associates, Inc. must acknowledge the terms of the Code of Ethics annually, or as amended.

Hamel Associates, Inc. anticipates that, in appropriate circumstances, there will be occurrences in which employees of Hamel Associates, Inc. will be engaged in the purchase or sale of securities in which clients are also trading. Hamel Associates, Inc. takes the potential conflict of interest associated with this situation very seriously and has outlined policies and procedures to mitigate the conflict to the greatest extent possible. At all times, Hamel Associates, Inc. and its employees will act in the best interest of its clients above the interests of its employees.

The Hamel Associates, Inc. Code of Ethics generally requires an employee to obtain pre-clearance of transactions, and restricts trading in close proximity to client trading activity. Employees of Hamel Associates, Inc. wishing to trade in shares of a particular security which Hamel Associates, Inc. is trading on behalf of a client, are prohibited from executing the trades for their personal accounts until after all clients' orders have been filled, for that particular day. 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. Employees of Hamel Associates, Inc. are prohibited from buying and or selling securities from or to a client for the benefit of an employee's account. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Hamel Associates, Inc. and its clients.

Hamel Associates, Inc.'s clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Pat Hamel.

Brokerage Practices

Investment Advisory firms are required to disclose to clients any soft dollar benefits received by brokerage firms. Soft dollar benefits are considered any product or service that a brokerage firm provides to investment advisers, other than the execution of trades. Hamel Associates, Inc. receives from Charles Schwab, TD Ameritrade, Morgan Stanley, and Merrill Lynch access to their third-party research materials. These materials are provided by Charles Schwab, TD Ameritrade, Morgan Stanley, and Merrill Lynch, respectively, without regard to the number of accounts Hamel Associates, Inc. maintains with the respective broker. Hamel Associates, Inc. does not receive any other products or services from brokers by virtue of managing accounts with the respective brokers. Hamel Associates, Inc. pays a subsidiary of Charles Schwab for "Portfolio Center," a portfolio management software product. Hamel Associates, Inc. does not consider the services provided by a broker, other than trade execution, when determining which broker to recommend to clients.

In accordance with its best execution policy, Hamel Associates, Inc. reviews the services of its recommended brokers quarterly. When reviewing brokers, Hamel Associates, Inc. considers, past experience with a broker, the broker's price, the broker's reputation, the broker's rate of error, the length of time it takes a broker to execute trades, the willingness and ability for the broker's staff to provide customer service, etc. Hamel Associates, Inc. acts at all times to ensure that clients' trades are being executed in the best way possible. Hamel Associates, Inc. takes price into account when examining best execution, however Hamel Associates, Inc. recognizes that price is not always the best indicator of performance.

Hamel Associates, Inc. does not receive any compensation for referring clients to any broker. Hamel Associates, Inc. allows clients to select the broker of their choice. Hamel Associates, Inc. informs clients that if they choose to use a broker other than one recommended by Hamel Associates, Inc. they may incur higher prices and or inadequate service and that Hamel Associates, Inc. is not responsible for such decisions.

Review of Accounts

Hamel Associates, Inc. reviews all accounts managed by Hamel Associates, Inc. The frequency of the review is dependent upon the nature of the engagement between a client and Hamel Associates, Inc. For accounts which Hamel Associates, Inc. manages on a discretionary basis, the accounts are reviewed continuously by Hamel Associates, Inc. For accounts which Hamel Associates, Inc. does not manage on a discretionary basis, Hamel

Associates, Inc. reviews accounts on a periodic basis. Reviews are generally conducted by Pat Hamel. The nature of the review is agreed upon between Hamel Associates, Inc. and each particular client, in order for Hamel Associates, Inc. to provide each client individual service based on that client's needs.

Client Referrals and Other Compensation

Hamel Associates, Inc. bills clients directly and receives payments directly from clients. Hamel Associates, Inc. does not accept payment from third parties, on behalf of clients. Hamel Associates, Inc. does not provide compensation, whether money or gifts, to any person in exchange for that person recommending clients.

Custody

Clients should receive at least quarterly statements from the broker dealer, bank, or other qualified custodian that holds and maintains client's investment assets. Hamel Associates, Inc. urges clients to carefully review such statements and compare such official custodial records to the account statements provided by Hamel Associates, Inc.

Investment Discretion

Hamel Associates, Inc. usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be purchased and or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Hamel Associates, Inc. observes the investment policies, limitations and restrictions of the clients, which in some cases includes Hamel Associates, Inc. endeavoring to discuss potential trades with clients prior to execution, when appropriate.

Voting Client Securities

As a matter of firm policy and practice, Hamel Associates, Inc. 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. From time to time, upon request, Hamel Associates, Inc. will discuss upcoming votes with clients.

Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about its financial condition. Hamel Associates, Inc. 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.

If a client or potential client has any questions regarding this Brochure, or any other questions related to Hamel Associates, Inc., Hamel Associates Inc. invites you to contact us at (973)665-1400.

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MARCH 25, 2015

BROCHURE SUPPLEMENT

This Brochure Supplement provides information about Pat Hamel, Keith Tucholski and Pamela Rafferty that supplements the Hamel Associates, Inc. Brochure. You should have received a copy of that Brochure. Please contact Pat Hamel if you did not receive Hamel Associates, Inc.'s Brochure or if you have any questions about the contents of this supplement.

PASQUALE C. HAMEL (Pat), who was born in 1952, is the President of Hamel Associates, Inc. Pat possesses a B.S. in Accounting and an M.S. in Taxation, from Brooklyn College and C.W. Post College, respectively. Pat is a CPA.

Prior to establishing Hamel Associates, Inc., in 1990, Pat was a Senior Manager in the Personal Financial Services Group of Price Waterhouse from 1985 to 1990 where he was a member of the leadership team of Price Waterhouse Investment Advisors (PWIA). PWIA was the first unit of the big accounting firms to register with the SEC as an investment advisor. From 1979 to 1985 he was with the Executive Financial Counseling arm of Bank of America, rising to the level of Vice President and Manager of the New York office.

Pat has never been the subject of any disciplinary proceedings, whether by a Criminal or Civil Court, Self-Regulatory Organization, Administrative Agency, or any other proceeding of any kind.

KEITH M. TUCHOLSKI, CFP ® is a financial advisor with Hamel Associates, Inc. He was born in 1961 and possesses a B.B.A. from CUNY—Bernard M. Baruch College. Keith has been a Financial Advisor with Hamel Associates, Inc. since 2002. Prior to joining Hamel Associates, Inc., Keith was a Financial Advisor with Morgan Stanley from 1995—2001 and a Tax Consultant, with Dannible & McKee, LLP, from 1993—1995 and 1984—1993 with Price Waterhouse, respectively. Pat Hamel supervises Keith’s advisement strategies and performs periodic review of portfolios managed by Keith in order to ensure that results reflect the goals of each client. Keith has never been the subject of any disciplinary proceedings, whether by a Criminal or Civil Court, Self-Regulatory Organization, Administrative Agency, or any other proceeding of any kind.

Pamela Rafferty, CPA is a financial advisor with Hamel Associates, Inc. She was born in 1964 and graduated from the University of Illinois in 1986 with a B.S. in Accountancy, summa cum laude. Pam rejoined Hamel Associates, Inc. in 2014. Previously, she spent 14 years with Hamel Associates, Inc. From 1993 through 2007 Pam served as a tax specialist and financial advisor with the firm. Prior to joining Hamel Associates, Inc., Pam was a manager in the Personal Financial Services Group of Price Waterhouse, where she worked from 1986 to 1993. Pat Hamel supervises Pam's advisement strategies and performs periodic review of portfolios managed by Pam in order to ensure that results reflect the goals of each client.

Pam has never been the subject of any disciplinary proceedings, whether by a Criminal or Civil Court, Self-Regulatory Organization, Administrative Agency or and other proceeding of any kind.