

**Hanson & Doremus Investment Management**  
**SEC File Number: 801 – 55412**

**Hanson & Doremus Investment Management**  
**Brochure**  
**Dated 03/18/2015**

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**This brochure provides information about the qualifications and business practices of Hanson & Doremus Investment Management (the “Registrant”). If you have any questions about the contents of this brochure, please contact us at (802) 658-2668 or [eric@hansondoremus.com](mailto:eric@hansondoremus.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.**

**Additional information about Hanson & Doremus Investment Management also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**References herein to Hanson & Doremus Investment Management as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.**

## **Item 2           Material Changes**

There have been no material changes made to Hanson and Doremus Investment Management's disclosure statement since last year's Annual Amendment filing on 03/26/2014.

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#### Item 4            **Advisory Business**

- A. Hanson & Doremus Investment Management (the “Registrant”) is a corporation formed on July 17, 1995 in the state of Vermont. The Registrant became registered as an Investment Adviser Firm in July 1995. The Registrant is principally owned by Eric H. Hanson, Anne W. Doremus and Julie A. Won.
- B. As discussed below, the Registrant offers to its clients (individuals, business entities, trusts, estates, pension and profit sharing plans, financial institutions and charitable organizations, etc.) investment advisory services, and, to the extent specifically requested by a client, financial planning and related consulting services.

#### **INVESTMENT ADVISORY SERVICES**

The client can determine to engage the Registrant to provide discretionary investment advisory services on a *fee-only* basis. Occasionally, Registrant *may* determine to provide investment advisory services on a non-discretionary basis. The Registrant’s annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under the Registrant’s management (between negotiable and 1.00%) and depends upon the specific type of investment advisory service required. While the basic annual fee is negotiable, it shall generally fall within the following ranges for equities:

<u>Assets Under Management</u>	<u>% of Assets</u>
Initial \$500,000	1.00%
Next \$500,000	0.80%
Assets over \$1 million	0.60%
Assets over \$2 million	Negotiable

Registrant’s investment advisory fee as it pertains to fixed income, mutual funds, and cash securities shall generally be in accordance with the following schedule:

<u>Assets Under Management</u>	<u>% of Assets</u>
Initial \$1 million	0.50%
Assets over \$1 million	Negotiable

#### **INVESTMENT-RELATED CONSULTING SERVICES (STAND-ALONE)**

The Registrant **does not** hold itself out as providing financial planning consulting services (i.e. estate planning, insurance planning, etc.) However, to the extent requested by a client, the Registrant *may* determine to provide, on a stand-alone separate fee basis, investment-related planning that is generally incidental to the investment management process, such as a retirement planning analysis. Registrant’s planning and consulting fee is negotiable, but generally is \$150 on an hourly rate basis. Prior to engaging the Registrant to provide planning or consulting services, clients are generally required to enter into an *Investment Consulting Agreement* with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Registrant commencing services. Neither the Registrant, nor any of its representatives, serves as an attorney, accountant, or licensed insurance agent, and no portion of the

Registrant's services should be construed as same. To the extent specifically requested by a client, the Registrant may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

## MISCELLANEOUS

**Please Note: Non-Discretionary Service Limitations.** Clients that determine to engage the Registrant on a non-discretionary investment advisory basis **must be willing to accept** that the Registrant cannot effect any account transactions without obtaining prior verbal consent to any such transaction(s) from the client. Thus, in the event of a market correction during which the client is unavailable, the Registrant will be unable to effect any account transactions (as it would for its discretionary clients) without first obtaining the client's verbal consent.

**Client Obligations.** In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

- C. The Registrant shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, the Registrant shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at anytime, impose reasonable restrictions, in writing, on the Registrant's services.
- D. The Registrant does not participate in a wrap fee program.
- E. As of December 31, 2014, the Registrant had \$305,529,952 in assets under management on a discretionary basis and \$39,316,551 in assets under management on a non-discretionary basis.

## Item 5 Fees and Compensation

- A. The client can determine to engage the Registrant to provide discretionary investment advisory services on a *fee-only* basis. Occasionally, Registrant *may* determine to provide investment advisory services on a non-discretionary basis.

### INVESTMENT ADVISORY SERVICES

If a client determines to engage the Registrant to provide discretionary investment advisory services on a *fee-only* basis, the Registrant's annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under the Registrant's management (between negotiable and 1.00%) and depends upon the specific type of investment advisory service required. While the basic annual fee is negotiable, it shall generally fall within the following ranges for equities:

<u>Assets Under Management</u>	<u>% of Assets</u>
Initial \$500,000	1.00%
Next \$500,000	0.80%
Assets over \$1 million	0.60%
Assets over \$2 million	Negotiable

Registrant's investment advisory fee as it pertains to fixed income, mutual fund, and cash securities shall generally be in accordance with the following schedule:

<u>Assets Under Management</u>	<u>% of Assets</u>
Initial \$1 million	0.50%
Assets over \$1 million	Negotiable

### INVESTMENT-RELATED CONSULTING SERVICES (STAND-ALONE)

The Registrant **does not** hold itself out as providing financial planning consulting services (i.e. estate planning, insurance planning, etc.) However, to the extent requested by a client, the Registrant *may* determine to provide, on a stand-alone separate fee basis, investment-related that are generally incidental to the investment management process, such as a retirement planning analysis. Registrant's planning and consulting fee is negotiable, but generally is \$150 on an hourly rate basis. Prior to engaging the Registrant to provide planning or consulting services, clients are generally required to enter into an Investment Consulting *Agreement* with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Registrant commencing services. Neither the Registrant, nor any of its representatives, serves as an attorney, accountant, or licensed insurance agent, and no portion of the Registrant's services should be construed as same. To the extent specifically requested by a client, the Registrant may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant.. **Please Note:** If the client engages any

such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

- B. Clients may elect to have the Registrant's advisory fees deducted from their custodial account. Both Registrant's *Investment Advisory Agreement* and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of the Registrant's investment advisory fee and to directly remit that management fee to the Registrant in compliance with regulatory procedures. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice. The Registrant shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, the Registrant shall generally recommend that Charles Schwab and Co., Inc. ("*Schwab*") or TD Ameritrade ("*TD*") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Schwab* or *TD* charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to Registrant's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).
- D. Registrant's annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. The Registrant generally requires a minimum account size of \$250,000 for investment advisory services. However, Registrant, in its sole discretion, may charge a lesser investment management fee based upon certain criteria (i.e. non-profit status, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

The *Investment Advisory Agreement* between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, the Registrant shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.

- E. Neither the Registrant, nor its representatives accept compensation from the sale of securities or other investment products.

## **Item 6                    Performance-Based Fees and Side-by-Side Management**

Neither the Registrant nor any supervised person of the Registrant accepts performance-based fees.

## **Item 7                    Types of Clients**

The Registrant's clients shall generally include individuals, business entities, trusts, estates, pension and profit sharing plans, financial institutions and charitable organizations. The Registrant generally requires a minimum account size of \$250,000 for investment advisory services. However, Registrant, in its sole discretion, may charge a lesser investment management fee based upon certain criteria (i.e. non-profit status, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

## **Item 8                    Methods of Analysis, Investment Strategies and Risk of Loss**

A. The Registrant shall utilize the following methods of security analysis:

- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
- Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
- Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

The Registrant shall utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Margin Transactions (use of borrowed assets to purchase financial instruments only at client's request)

**Please Note: Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s).

B. The Registrant's methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values.

There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant's primary investment strategies - Long Term Purchases and Short Term Purchases - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

In addition to the fundamental investment strategies discussed above, the Registrant may on a limited basis implement and/or recommend the use of margin but only at the client's request. The use of margin has a high level of inherent risk. (*See* discussion below).

Margin is an investment strategy with a high level of inherent risk. A margin transaction occurs when an investor uses borrowed assets to purchase financial instruments. The investor generally obtains the borrowed assets by using other securities as collateral for the borrowed sum. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial instruments on margin. **Please Note:** To the extent that a client authorizes the use of margin, and margin is thereafter employed by the Registrant in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to the Registrant may be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential *conflict of interest* whereby the client's decision to employ margin *may* correspondingly increase the management fee payable to the Registrant. Accordingly, the decision as to whether to employ margin is left totally to the discretion of client.

- C. Currently, the Registrant primarily allocates client investment assets among various individual equity and fixed income securities, and, to a much lesser extent, among no-load and/or load waived mutual funds, on a discretionary basis, and, in some cases, on a non-discretionary basis, in accordance with the client's designated investment objective(s).

## **Item 9           Disciplinary Information**

The Registrant has not been the subject of any disciplinary actions.

## **Item 10          Other Financial Industry Activities and Affiliations**

- A. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.



- C. The Registrant does not have any relationship or arrangement that is material to its advisory business or to its clients with any related person.
- D. The Registrant does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

**Item 11            Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

- A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

- B. Neither the Registrant nor any related person of the Registrant recommends, buys, or sells for client accounts, securities in which the Registrant or any related person of Registrant has a material financial interest.
- C. The Registrant and/or representatives of the Registrant *may* buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of the Registrant's clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant's "Access Persons". The Registrant's securities transaction policy requires that an Access Person of the Registrant must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date the Registrant selects; provided, however that at any time that the Registrant has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. The Registrant and/or representatives of the Registrant *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant's Access Persons.

## **Item 12 Brokerage Practices**

- A. In the event that the client requests that the Registrant recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct the Registrant to use a specific broker-dealer/custodian), Registrant generally recommends that investment management accounts be maintained at *Schwab* or *TD*. Prior to engaging Registrant to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that the Registrant considers in recommending *Schwab* or *TD* (or any other broker-dealer/custodian to clients) include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with the Registrant's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee. The Registrant's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

### **1. Research and Additional Benefits**

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant may receive from *Schwab* or *TD* (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products, certain of which assist the Registrant to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by the Registrant may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational

and/or social events, marketing support, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist the Registrant in managing and administering client accounts. Others may not directly provide such assistance, but rather assist the Registrant to manage and further develop its business enterprise.

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at *Schwab* or *TD* as a result of this arrangement. There is no corresponding commitment made by the Registrant to *Schwab* or *TD* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

**The Registrant's Chief Compliance Officer, Eric H. Hanson, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.**

2. The Registrant does not receive referrals from broker-dealers.
3. The Registrant does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Registrant will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Registrant. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

**Please Note:** In the event that the client directs Registrant to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Registrant.

**The Registrant's Chief Compliance Officer, Eric H. Hanson, remains available to address any questions that a client or prospective client may have regarding the above arrangement**

- B. To the extent that the Registrant provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless the Registrant decides to purchase or sell the same securities for several clients at approximately the same time. The Registrant may (but is not obligated to) combine or

“bunch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Registrant’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. The Registrant shall not receive any additional compensation or remuneration as a result of such aggregation.

### **Item 13          Review of Accounts**

- A. For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by the Registrant's Principals and/or representatives. All clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or telephonically) are encouraged to review investment objectives and account performance with the Registrant on an annual basis.

As it pertains to trust accounts, reviews will occur on an ongoing basis by the Registrant's Principals and/or representatives. A change in client objectives, market conditions, or company fundamentals may trigger more frequent reviews.

- B. The Registrant *may* conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian for the client accounts. Those clients to whom Registrant provides investment supervisory services will also receive a quarterly report from the Registrant summarizing account activity and performance.

### **Item 14          Client Referrals and Other Compensation**

- A. As referenced in Item 12.A.1 above, the Registrant may receive an indirect economic benefit from *Schwab* or *TD*. The Registrant, without cost (and/or at a discount), may receive support services and/or products from *Schwab* or *TD*.

Registrant’s clients do not pay more for investment transactions effected and/or assets maintained at *Schwab* or *TD* as a result of this arrangement. There is no corresponding commitment made by the Registrant to *Schwab* or *TD* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

**The Registrant’s Chief Compliance Officer, Eric H. Hanson, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.**

## Item 15 Custody

The Registrant shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian for the client accounts. Those clients to whom Registrant provides investment supervisory services will also receive a quarterly or annual report from the Registrant summarizing account activity and performance.

**Please Note:** To the extent that the Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by the Registrant with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of the Registrant's advisory fee calculation.

## Item 16 Investment Discretion

The client can determine to engage the Registrant to provide investment advisory services on a discretionary basis. Prior to the Registrant assuming discretionary authority over a client's account, the client shall be required to execute an *Investment Advisory Agreement*, naming the Registrant as the client's attorney and agent in fact, granting the Registrant full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage the Registrant on a discretionary basis may, at anytime, impose restrictions, **in writing**, on the Registrant's discretionary authority. (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Registrant's use of margin, etc).

## Item 17 Voting Client Securities

- A. Unless the client directs otherwise in writing, the Registrant is responsible for voting client proxies (**However**, the client shall maintain exclusive responsibility for all legal proceedings or other type events pertaining to the account assets, including, but not limited to, class action lawsuits.). The Registrant shall vote proxies in accordance with its Proxy Voting Policy, a copy of which is available upon request. The Registrant shall monitor corporate actions of individual issuers and investment companies consistent with the Registrant's fiduciary duty to vote proxies in the best interests of its clients. Although the factors which Registrant will consider when determining how it will vote differ on a case by case basis, they may, but are not be limited to, include the following: a review of recommendations from issuer management, shareholder proposals, cost effects of such proposals, effect on employees and executive and director compensation. With respect to individual issuers, the Registrant may be solicited to vote on matters including corporate governance, adoption or amendments to compensation plans (including stock options), and matters involving social issues and corporate responsibility. With respect to

investment companies (e.g., mutual funds), the Registrant may be solicited to vote on matters including the approval of advisory contracts, distribution plans, and mergers. The Registrant shall maintain records pertaining to proxy voting as required pursuant to Rule 204-2 (c)(2) under the Advisers Act. Copies of Rules 206(4)-6 and 204-2(c)(2) are available upon written request. In addition, information pertaining to how the Registrant voted on any specific proxy issue is also available upon written request. Requests should be made by contacting the Registrant's Chief Compliance Officer, Eric H. Hanson.

- B. As set forth in Item 17.A above, the Registrant votes client proxies.

## **Item 18      Financial Information**

- A. The Registrant does not solicit fees of more than \$1,250, per client, six months or more in advance.
- B. The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. The Registrant has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: The Registrant's Chief Compliance Officer, Eric H. Hanson, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**

**Item 1 Cover Page**

A.

**Eric H. Hanson**

**Hanson & Doremus Investment Management**

**Brochure Supplement  
Dated 03/18/2015**

**Contact: Eric H. Hanson, Chief Compliance Officer  
431 Pine Street  
Burlington, Vermont 05401**

B.

**This brochure supplement provides information about Eric H. Hanson that supplements the Hanson & Doremus Investment Management brochure. You should have received a copy of that brochure. Please contact Eric H. Hanson, Chief Compliance Officer if you did *not* receive Hanson & Doremus Investment Management's brochure or if you have any questions about the contents of this supplement.**

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

**Item 2 Education Background and Business Experience**

Eric H. Hanson was born in 1948. Mr. Hanson graduated from St. Lawrence University, with a Bachelor of Arts degree in History and Political Science. Mr. Hanson has been President, Portfolio Manager and Partner of Hanson & Doremus Investment Management since July of 1995.

Mr. Hanson became a Certified Financial Planner (CFP®) in 1985. The CFP® designation identifies individuals who have completed the mandatory examination, education, experience, and ethics requirements mandated by the CFP® Board. Candidates must have at least three years of qualifying work experience that relates to financial planning. Candidates are required to hold a bachelors degree from an accredited university. CFP® candidates must pass an examination that covers over 100 financial planning topics, which broadly include: general principles of financial planning, insurance planning and risk management, employee benefits planning, investment

planning, income tax planning, retirement planning, and estate planning. Finally, candidates have ongoing ethics requirements and oversight by the CFP® Board.

Mr. Hanson has been a Chartered Financial Analyst (CFA®) since 1978. CFA® designates an international professional certificate that is offered by the CFA Institute. Candidates that pursue the certification have in-depth knowledge of securities types and investment vehicles. In order to qualify for a CFA®, candidates must meet standards for examination, education, experience, and ethics. First, candidates must possess a bachelor's degree from an accredited school, or its equivalent. Second, candidates must have completed 48 months of qualified professional work experience, generally related to evaluating or applying financial, economic, and/or statistical data as part of the investment decision-making process involving securities or similar investment. Third, candidates must pass a series of three six-hour exams that covers ethics, quantitative methods, economics, corporate finance, financial reporting and analysis, security analysis, and portfolio management. Finally, candidates must meet and continue to adhere to a strict Code of Ethics and Standards governing their professional conduct, as reviewed by the CFA Institute.

### **Item 3 Disciplinary Information**

None.

### **Item 4 Other Business Activities**

- A. The supervised person is not actively engaged in any investment-related business or occupation.
- B. The supervised person is not actively engaged in any non-investment-related business or occupation for compensation.

### **Item 5 Additional Compensation**

None.

### **Item 6 Supervision**

The Registrant has and provides investment advisory and supervisory services in accordance with the Registrant's policies and procedures manual. The primary purpose of the *Registrant's* Rule 206(4)-7 policies and procedures is to comply with the requirements of supervision requirements of Section 203(e)(6) of the Investment Advisor's Act. The Registrant's Chief Compliance Officer, Eric H. Hanson, is primarily responsible for implementation of the *Registrant's* policies and procedures. Should an employee or investment adviser representative of the *Registrant* have any questions regarding the applicability/relevance of the *Act*, the *Rules*, any section thereof, or any section of the policies and procedures, he/she should address those questions with the Chief Compliance Officer. Mr. Hanson can be reached at (802) 658-2668.



## **Item 1 Cover Page**

A.

### **Anne Williams Doremus**

Hanson & Doremus Investment Management

Brochure Supplement

Dated 03/18/2015

Contact: Eric H. Hanson, Chief Compliance Officer

431 Pine Street

Burlington, Vermont 05401

B.

**This brochure supplement provides information about Anne Williams Doremus that supplements the Hanson & Doremus Investment Management brochure. You should have received a copy of that brochure. Please contact Eric H. Hanson, Chief Compliance Officer if you did *not* receive Hanson & Doremus Investment Management's brochure or if you have any questions about the contents of this supplement.**

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

## **Item 2 Education Background and Business Experience**

Anne Williams Doremus was born in 1959. Ms. Doremus graduated from the University of Vermont, with a Bachelor of Arts degree in Economics and from Dartmouth College with an MBA in General Management. Ms. Doremus has been Vice President, Portfolio Manager and Partner of Hanson & Doremus Investment Management since September of 1996.

Ms. Doremus has been a Chartered Financial Analyst (CFA<sup>®</sup>) since 1990. CFA<sup>®</sup> designates an international professional certificate that is offered by the CFA Institute. Candidates that pursue the certification have in-depth knowledge of securities types and investment vehicles. In order to qualify for a CFA<sup>®</sup>, candidates must meet standards for examination, education, experience, and ethics. First, candidates must possess a bachelor's degree from an accredited school, or its equivalent. Second, candidates must have completed 48 months of qualified professional work experience, generally related to evaluating or applying financial, economic, and/or statistical data as part of the investment decision-making process involving securities or similar investment.

Third, candidates must pass a series of three six-hour exams that covers ethics, quantitative methods, economics, corporate finance, financial reporting and analysis, security analysis, and portfolio management. Finally, candidates must meet and continue to adhere to a strict Code of Ethics and Standards governing their professional conduct, as reviewed by the CFA Institute.

### **Item 3 Disciplinary Information**

None.

### **Item 4 Other Business Activities**

- A. The supervised person is not actively engaged in any investment-related business or occupation.
- B. The supervised person is not actively engaged in any non-investment-related business or occupation for compensation.

### **Item 5 Additional Compensation**

None.

### **Item 6 Supervision**

The Registrant has and provides investment advisory and supervisory services in accordance with the Registrant's policies and procedures manual. The primary purpose of the *Registrant's* Rule 206(4)-7 policies and procedures is to comply with the requirements of supervision requirements of Section 203(e)(6) of the Investment Advisor's Act. The Registrant's Chief Compliance Officer, Eric H. Hanson, is primarily responsible for implementation of the *Registrant's* policies and procedures. Should an employee or investment adviser representative of the *Registrant* have any questions regarding the applicability/relevance of the *Act*, the *Rules*, any section thereof, or any section of the policies and procedures, he/she should address those questions with the Chief Compliance Officer. Mr. Hanson can be reached at (802) 658-2668.

**Item 1 Cover Page**

A.

**Julie Anne Won**

**Hanson & Doremus Investment Management**

**Brochure Supplement  
Dated 03/18/2015**

**Contact: Eric H. Hanson, Chief Compliance Officer  
431 Pine Street  
Burlington, Vermont 05401**

B.

**This brochure supplement provides information about Julie Anne Won that supplements the Hanson & Doremus Investment Management brochure. You should have received a copy of that brochure. Please contact Eric H. Hanson, Chief Compliance Officer if you did *not* receive Hanson & Doremus Investment Management's brochure or if you have any questions about the contents of this supplement.**

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

**Item 2 Education Background and Business Experience**

Julie Anne Won was born in 1965. Ms. Won graduated from Harvard University with a Bachelor of Arts degree in Fine Arts (art history), from the Stanford Graduate School of Business with an MBA, and from Stanford University with a Master of Arts degree in East Asian Studies. Ms. Won joined Hanson & Doremus as a Partner in September 2013. She previously worked for the firm (then known as Hanson Investment Management) from 2005 to 2009.

Ms. Won has been a Chartered Financial Analyst (CFA<sup>®</sup>) since 2008. CFA<sup>®</sup> designates an international professional certificate that is offered by the CFA Institute. Candidates that pursue the certification have in-depth knowledge of securities types and investment vehicles. In order to qualify for a CFA<sup>®</sup>, candidates must meet standards for examination, education, experience, and ethics. First, candidates must possess a bachelor's degree from an accredited school, or its equivalent. Second, candidates must have completed 48 months of qualified professional work

experience, generally related to evaluating or applying financial, economic, and/or statistical data as part of the investment decision-making process involving securities or similar investment. Third, candidates must pass a series of three six-hour exams that covers ethics, quantitative methods, economics, corporate finance, financial reporting and analysis, security analysis, and portfolio management. Finally, candidates must meet and continue to adhere to a strict Code of Ethics and Standards governing their professional conduct, as reviewed by the CFA Institute.

### **Item 3 Disciplinary Information**

None.

### **Item 4 Other Business Activities**

- A. The supervised person is not actively engaged in any investment-related business or occupation.
- B. The supervised person is not actively engaged in any non-investment-related business or occupation for compensation.

### **Item 5 Additional Compensation**

None.

### **Item 6 Supervision**

The Registrant has and provides investment advisory and supervisory services in accordance with the Registrant's policies and procedures manual. The primary purpose of the *Registrant's* Rule 206(4)-7 policies and procedures is to comply with the requirements of supervision requirements of Section 203(e)(6) of the Investment Advisor's Act. The Registrant's Chief Compliance Officer, Eric H. Hanson, is primarily responsible for implementation of the *Registrant's* policies and procedures. Should an employee or investment adviser representative of the *Registrant* have any questions regarding the applicability/relevance of the *Act*, the *Rules*, any section thereof, or any section of the policies and procedures, he/she should address those questions with the Chief Compliance Officer. Mr. Hanson can be reached at (802) 658-2668.