

Form ADV Part 2A

Hardesty Capital Management, LLC

CRD # 113543

SEC File # 801-50228

303 International Circle

Suite 430

Hunt Valley, MD 21030

Telephone: 410-400-8500

www.hardestycapital.com

Date of brochure: March 25, 2015

This brochure provides information about the qualifications and business practices of Hardesty Capital Management LLC. If you have any questions about the contents of this brochure, please contact us at one of the telephone numbers listed above or via e-mail through our website. 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 Hardesty Capital Management LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Hardesty Capital Management LLC is registered with the Securities and Exchange Commission. Registration does not imply that Hardesty Capital Management LLC, or its representatives, have attained a certain level of skill or training.

Unless the context otherwise requires or indicates, all references in this brochure to "we", "us", "our", "firm", and "Hardesty Capital" refers to Hardesty Capital Management LLC.

Item 2 – Material Changes

Form ADV is the uniform form used by investment advisers to register with both the Securities and Exchange Commission and state securities authorities. Form ADV Part 2, a component of Form ADV, is a narrative brochure that contains information such as the types of advisory services offered, the advisor's fees schedule, disciplinary information, conflicts of interest, and the educational and business background of management and key advisory personnel. Please contact your portfolio manager if you would like to receive a free copy of the most current Hardesty Capital Management ADV Part 2.

There have been no material changes to our ADV since our last update in October, 2014 which reflected our move to Hunt Valley, MD.

Hardesty Capital Management Privacy Policy

Hardesty Capital Management collects personal information about you from new account agreements and through communication channels such as meetings and telephone conversations. Information is also collected as a result of activity within your account. This information may include your:

- Name and Address
- Social Security or taxpayer identification number
- Assets
- Income
- Account balance
- Investment activity
- Accounts at other financial institutions

We do not sell, or otherwise disclose, any personal information to anyone or any organization. Our policy covers current and former clients. We share information only when needed to complete transactions within your account. For example, if you ask to transfer assets from another financial institution, we need to provide certain information about you to the company to complete the transaction. The collection of personal information is limited to, and compatible with, what is essential in delivering investment management services to meet your needs.

We maintain physical, electronic and procedural safeguards to store and secure your information against unauthorized access, alteration and destruction. Employees of Hardesty Capital Management may not use or disclose your information except in business use.

Respecting and protecting your privacy is vital to our business. Please contact us should you have any questions regarding our policy.

Item 3 – Table of Contents

| | |
|---|---------|
| Item 1 – Cover Page | 1 |
| Item 2 – Material Changes | 2 |
| Item 3 – Table of Contents | 3 |
| Item 4 – Advisory Business | 4 - 5 |
| Item 5 – Fees and Compensation | 6 |
| Item 6 – Performance-Based Fees and Side-By-Side Management | 7 |
| Item 7 – Types of Clients | 8 |
| Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss | 9 |
| Item 9 – Disciplinary Information | 10 |
| Item 10 – Other Financial Industry Activities and Affiliations | 11 |
| Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading | 12 |
| Item 12 – Brokerage Practices | 13 - 14 |
| Item 13 – Review of Accounts | 15 |
| Item 14 – Client Referrals and Other Compensation | 16 |
| Item 15 – Custody | 17 |
| Item 16 – Investment Discretion | 18 |
| Item 17 – Voting client Securities | 19 |
| Item 18 – Financial Information | 20 |
| Item 19 – Requirements for State-Registered Advisers | 21 |
| Item 20 – ADV Part 2B – Brochure Supplement | 22 - 32 |

Item 4 – Advisory Business

- A. Hardesty Capital Management, LLC is an SEC-registered investment advisor providing investment management services to individuals, pension and profit sharing plans, 401(k) plans, trusts, estates, charitable organizations and corporations. We are located in Baltimore, MD and have continuously been in operation since November, 1995.

The firm is owned and operated by its employees. James Hardesty, J. Scott Murphy, David Stepherson, Eric Schopf and Charles Meyer are all equity partners.

- B. Hardesty Capital Management provides clients with ongoing investment advisory service on a fee-only basis. Diversified client portfolios are primarily composed of three asset classes: Money market funds or other short-term investment vehicles; fixed income securities; and equity securities. Money market funds are utilized to provide liquidity and safety of principal. Fixed income instruments are held for income and stability. Equity investments are held to provide appreciation potential and generate a growing source of investment income.

We conduct our own independent investment research and invest in individual publically traded securities. Exchange traded funds and mutual funds may be used on occasion to gain exposure to specific sectors of the market. Options on equity securities may also be utilized as a sub-investment strategy when account circumstances warrant.

We employ a value-oriented investment style utilizing a combination of growth and value stocks. Value stocks typically trade at low prices relative to anticipated earnings and have above average dividend yields. Growth stocks offer value when purchased at prices that do not reflect future growth potential. Investments are made in companies with strong underlying fundamentals such as recognized trademarks, strong balance sheets, and profitability, but whose share price is temporarily depressed due to some solvable company problem, external factor or other misunderstanding. We primarily invest in large, domestic companies. However, we also take positions in small and mid-size companies as well as companies headquartered abroad.

Fixed income investments reflect our outlook for inflation and interest rates as well as underlying credit risk.

- C. Investment portfolios are tailored to the needs of the individual client. The portfolio manager works closely with the client to draft an investment policy statement which sets the parameters for the investment portfolio. Among other factors, the statement incorporates investment return expectations, risk tolerance, time horizon, and income requirements in formulating an

asset allocation framework. The investment policy statement will also include any restrictions regarding specific investments. For example, some clients may wish not to invest in the tobacco industry. The investment policy statement is a dynamic instrument and is modified over time as client circumstances change.

D. We do not place client assets in wrap fee programs.

E. As of December 31, 2014, we manage the following assets:

| | |
|--------------------------|---------------------|
| Discretionary Assets | \$925,708,823 |
| Non-discretionary Assets | <u>\$35,773,425</u> |
| Total | \$961,482,248 |

Item 5 – Fees and Compensation

- A. Fees are assessed based on the client's assets under management. The basic fee schedule is as follows:

1.00% on the first \$2,000,000
.75% on the next \$3,000,000
.50% on the balance of the account

- B. All fees are charged quarterly in advance. We have a \$500,000 account minimum. Related accounts are combined for fee calculation purposes. Fees on accounts in excess of \$10,000,000 are negotiable. A minimum fee of \$4,500 will be assessed; however, lower fees may apply subject to negotiation at the sole discretion of Hardesty Capital Management. A flat fee is available to those clients where appropriate and at the sole discretion of Hardesty Capital Management.

Clients have the option of being billed for our services or having the fee deducted directly from their account. In either case, we send an invoice to the client indicating the amount of the fee, the value of the assets upon which the fee was based, and the manner in which the fee was calculated. Although we provide a detailed invoice, it is the client's responsibility to verify the accuracy of the fee calculation. The custodian will not determine whether the fee is properly calculated. Please see Item 14 for a full description of custody services.

An hourly fee schedule is available to those persons seeking investment advice on a non-continuous basis. The schedule is as follows: Support staff \$75 per hour, Investment professional, \$175 - \$200 per hour.

- C. In addition to investment management fees, the client is subject to brokerage commissions on equity transactions. Please see Item 12 for a complete description of our brokerage practices. Additional expenses may be incurred if third-party managed products are held in a portfolio. For example, exchange traded funds, mutual funds and closed-end funds have various management and administrative fees related to them. These related expenses are in addition to the management fees charged by Hardesty Capital Management. We do not receive any compensation for the sale of the third-party managed products.
- D. An advisory relationship may be terminated upon written notice by either the client or Hardesty Capital Management and shall be effective as of the close of business on the first business day following the receipt of such notice. In the event of termination, fees paid in advance will be refunded, pro rata, to the client based on the number of days remaining in the quarter
- E. We do not receive compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Item 6 – Performance-Based Fees and Side-By-Side Management

Hardesty Capital Management does not charge performance-based fees. We believe that the asset-based fee schedule aligns our interests with the client's.

Item 7 – Types of Clients

We provide investment management services to individuals, pension and profit sharing plans, 401(k) plans, trusts, estates, charitable organizations and corporations.

The required minimum to establish an account is \$500,000. We will accept accounts that are less than the minimum at our sole discretion. There is no minimum balance for maintaining an account. However, we may, at our discretion, terminate an account that drops in value to a level where we believe that we can no longer add value as an investment manager.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

- A. Hardesty Capital Management conducts proprietary fundamental research to identify potential investments. We employ a value-oriented investment style utilizing a combination of growth and value stocks. Value stocks typically trade at low prices relative to anticipated earnings and have above average dividend yields. Growth stocks offer value when purchased at prices that do not reflect future growth potential. Investments are made in companies with strong underlying fundamentals such as recognized trademarks, strong balance sheets, and profitability, but whose share price is temporarily depressed due to some solvable company problem, external factor or other misunderstanding. We invest primarily in large, domestic companies. However, we also take positions in small and mid-size companies as well as companies headquartered abroad. Investment turnover, which represents the frequency of trading within a portfolio, is very low.

Fixed income investments reflect our outlook for inflation and interest rates as well as underlying credit risk. Bonds and other fixed income vehicles are held to provide investment income and stability of capital. Fixed income investments are not actively traded.

- B. Our management philosophy does not represent extreme positions or opportunistic styles. Portfolios diversified across asset classes helps mitigate volatility. None the less, all investments carry the risk of losses which clients should be prepared to bear.

Item 9 – Disciplinary Information

Hardesty Capital Management does not have any firm or individual legal disciplinary events to report.

Item 10 – Other Financial Industry Activities and Affiliations

- A. James Hardesty is Vice Chairman of the Board of the Harford Mutual Insurance Company, a mutual insurance company located in Bel Air, Maryland. He also serves as Chairman of the insurance company's compensation committee and is a member of the nominating committee. The Harford Mutual Insurance Company is a client of Hardesty Capital Management. Like all other clients, the Harford Mutual is subject to our fiduciary duty and participates equally in all security trading allocations. The relationship does not create a material conflict of interest with clients.

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

- A. Officers and employees of Hardesty Capital management strictly adhere to the firm's code of ethics. The Code sets forth standards of conduct and requires compliance with federal securities laws. Our Code is specifically designed to address potential issues that may arise from our advisory services. A copy of the firm's code of ethics will be furnished to any client or prospective client upon request.

- B. The firm places a high value on ethical conduct and promotes compliance with fiduciary standards by always placing the client's interests first. Among other matters, the Code requires all employees to report their securities transactions on a quarterly basis and personal investment holdings on an annual basis. The reporting procedures are designed to prevent employees from executing trades ahead of client trades. In many cases, employees invest in the same securities as those for clients. When a transaction (purchase or sale) is initiated and completed in the same day, all clients and employees participate on an equal basis. If a transaction is only partially completed with a particular broker, the transaction is pro-rated among client accounts only and employee accounts are excluded. Employees are restricted from buying or selling a security within five business days before the same security is purchased or sold on a firm-wide basis in client accounts.

Item 12 – Brokerage Practices

- A. Hardesty Capital Management utilizes numerous custodians for client accounts. All things being equal, the client's custodian is engaged to execute orders.

The custodians that we have selected offer a combination of technical capability and support infrastructure, market coverage, clearance and settlement efficiencies, and low cost. Direct and indirect costs are considered to obtain the highest quality trade execution. In addition to commission schedules, brokers are continuously evaluated on their brokerage services. The services may include: execution capability; responsiveness to advisor; value of investment research; block trading capability; communication skills; use of automation; and administrative ability. Contracts with custodians are also reviewed to determine trade-away capability and the impact on future brokerage charges.

We have an obligation to use our best efforts to obtain the best available price and most favorable execution with respect to all transactions executed on behalf of our clients. Best execution efforts provide assurance to clients that we will act in their best interest when dealing for them in the securities markets. Best execution results are monitored on a trade-by-trade basis by the portfolio manager and on a weekly basis when the all trade activity is reviewed by the chief compliance officer.

We have negotiated a single consistent commission rate (\$.05/per share) with all custodians and brokers except in instances where a client's choice of custodian mandates a higher commission rate. The client-directed custodian or brokerage arrangements are not subject to best execution guidelines. We review commission rates periodically to ensure they are reasonable.

1. Research and Other Soft Dollar Benefits.

A broker other than the client's custodian may be utilized (trade-away) if better order execution may be achieved. Third-party brokers may also be utilized to gain access to investment research and other services that would benefit our entire client base. We have entered into a soft-dollar agreement with FactSet Research Systems through BNY Brokerage, Inc. The contract entails executing trades through BNY in exchange for BNY paying the partial costs associated with FactSet products and services. FactSet provides economic and securities data and benefits all clients. When we use client brokerage commissions to obtain the services, we receive a benefit because we do not have to produce or pay for the services. However, the commission rate negotiated with BNY is no greater than the commission rate negotiated with all custodians. Therefore, the soft-dollar agreement leads to no additional expenses for our clients. BNY is subject to our best execution guidelines.

Contracts negotiated with the various custodians provide flexibility in directing some trades to third-party broker/dealers. We closely monitor our trade expectations with our third-party broker and balance order flow between them and client custodians to meet all contractual obligations.

2. Brokerage for Client Referrals.

We do not receive client referrals from broker/dealers or third party providers. Custodians and brokers are selected solely based on the criteria described in Item 12, section A.

3. Directed Brokerage.

In the event that a client expressly directs Hardesty Capital Management to execute all or a portion of security transactions through a particular broker with which we do not have a relationship, the client shall be responsible for negotiating all terms. Correspondingly, we will not be able to seek better execution service or prices from other brokers nor will we be able to aggregate the client transactions for execution with orders from other accounts that we manage. Consequently, higher commissions or other transaction costs may result in less favorable net prices.

- B. When possible, orders for accounts held at the same custodian are aggregated, which may lead to a lower negotiated commission due to the larger order size. Aggregating orders also provides uniform execution prices.

Item 13 – Review of Accounts

- A. All client portfolios are formally reviewed on an annual basis. Portfolios are evaluated in relationship to investment objectives, asset allocation guidelines and risk tolerance. The review is conducted by the portfolio manager for the account. The other portfolio managers participate through a peer analysis.
- B. The portfolio manager also reviews accounts in preparation for client meetings and as new investments are added to a portfolio or as security positions are reduced or eliminated.
- C. Custodians provide a written statement of account holdings no less than quarterly, and in most cases, monthly. The statements reflect current holdings, purchases and sales, investment income, and cash additions and withdrawals. Custodians also provide confirmation notices for executed orders and year-end tax documents. In addition to custodial statements, Hardesty Capital Management provides clients with written account statements on a quarterly basis. Our reports include a listing of holdings with acquisition dates and purchases and sales made during the quarter. Included with our quarterly statement is a newsletter which discusses our current view of the financial markets and economic environment.

Item 14 – Client Referrals and Other Compensation

- A. Hardesty Capital Management directly compensates non-employee (outside) consultants, individuals, and/or entities (Solicitors) for client referrals. In order to receive a cash referral fee from our firm, solicitors must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a solicitor, you should have received a copy of this Disclosure Brochure along with the Solicitor’s Notification at the time of your referral. If you become a client, the solicitor that referred you to our firm will receive cash payments. Payments are based on the market value of your assets that we manage as follows.

| <u>Market Value</u> | <u>Payment to Referrer</u> |
|---------------------------|----------------------------|
| \$500,000 - \$1,000,000 | \$5,000 |
| \$1,000,001 - \$2,000,000 | \$7,500 |
| \$2,000,001 - \$3,000,000 | \$10,000 |
| \$3,000,001 - \$4,000,000 | \$15,000 |
| ➤ \$4,000,001 | \$20,000 |

Payments to referrer will be paid in four quarterly installments in first year.

You will not pay additional fees because of the referral arrangement. The referral payment comes out of the investment management fee charged by Hardesty Capital Management.

Referral fees paid to the solicitor are contingent upon you entering into an advisory agreement with our firm. Therefore, a solicitor has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest. However, you are not obligated to retain our firm for advisory services. Comparable services and /or lower fees may be available through other firms.

- B. Some members of the firm may have a portion of their compensation based on new business development. Marketing personnel may receive a commission if they are responsible for the attainment of a new account. The commission is 25% of the investment management fee and is paid during the first two years of the account relationship. The commission payment comes out of the investment management fee charged by Hardesty Capital Management and does not increase the management fee paid by the client.

Item 15 – Custody

Hardesty Capital Management does not maintain custody of client assets. Qualified custodians such as broker-dealer firms and banks are utilized for custody services. Custodians provide a written statement of account holdings no less than quarterly, and in most cases, monthly. Custodians also provide confirmation notices for executed orders and year-end tax documents.

Hardesty Capital Management provides clients with account statements on a quarterly basis. Our accounting system parallels those of the custodian. We reconcile account positions on a daily basis to ensure accuracy. We urge clients to compare the account statements received from their custodian with those received from us to ensure accuracy.

Item 16 – Investment Discretion

Hardesty Capital Management operates with full investment discretion. We do not seek client approval prior to making investment changes. The discretionary nature of our advisory services is included in our contract of investment services, which must be signed by the client and an officer of the firm.

Client limitations on investment decisions are set during initial meetings when a formal investment policy statement is established. Limitations may include asset allocation, equity diversification characteristics, or specific industry exclusion. For example, some clients may not wish to make investments involving the tobacco or alcohol.

Item 17 – Voting Client Securities

- A. The client has the option of voting their own securities or having us vote on their behalf. The option is made at account inception, but may be changed at any time. When voting client securities, we consider only those factors that relate to the client's investment(s) or that are established by the client's written instructions.

We generally cast proxy votes in proposals that:

- a. Maintain or strengthen the shared interests of shareholders and management.
- b. Increase shareholder value.
- c. Maintain or increase shareholder influence over the issuer's board of directors and management.
- d. Maintain or increase the rights of shareholders.

Proxy votes generally will be cast against proposals having the opposite effect of those listed above.

We vote in a prudent and timely fashion and only after careful evaluation of the issue(s) presented on the ballot. After conducting an appropriate cost benefit analysis, not voting at all on a presented proposal may be in the best interest of the client. We generally do not vote proxies in which we control less than a 1% interest. In exercising voting discretion, we shall avoid any direct or indirect conflict of interest raised by such voting decision. We will provide adequate disclosure to the client if any substantive aspect or foreseeable result of the subject matter to be voted upon raises an actual or potential conflict of interest to the firm.

We will keep certain records required by applicable law in connection with our proxy voting activities for clients and shall provide proxy-voting information to clients upon their written or oral request. A copy of our proxy-voting policies and procedures are available to clients upon request.

- B. Clients electing to vote securities themselves will receive proxies or other solicitations directly from their custodian or a transfer agent. Clients may contact their portfolio manager with questions about any solicitations they receive.

Item 18 – Financial Information

The management of Hardesty Capital Management believes that they are financially sound. We do not have any adverse financial information to disclose.

A balance sheet has not been provided because we do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. In addition, we do not have custody of client funds or securities. Although we have discretionary authority to place trades in client accounts and to deduct investment management fees where approved, we do not have discretion to withdrawal client funds or securities for any other purpose. Please see Item 14 for a full description of custody services and Item 15 for a full description of investment discretion.

Item 19 – Requirements for State-Registered Advisers

Hardesty Capital Management is registered with the Securities and Exchange Commission and has no disclosure requirements pertaining to state registration.

Item 1 – Cover Page

Brochure Supplement

March 25, 2015

James D. Hardesty

Steven L. Shea

V. Randolph McMenamin

J. Scott Murphy

David A. Stepherson

Eric P. Schopf

Barbara L. Rishel

Charles A. Meyer

John J. Kernan

Hardesty Capital Management, LLC

303 International Circle

Suite 430

Hunt Valley, MD 21030

410-400-8500

Website: www.hardestycapital.com

This brochure supplement provides information about the individuals listed above that supplements the Hardesty Capital Management brochure. Please contact Eric P. Schopf should you have any questions about this supplement.

Additional information about our advisory personnel is available on the SEC's website at www.adviserinfo.sec.gov.

| <u>Advisory Personnel</u> | <u>CRD Number</u> |
|---------------------------|-------------------|
| James D. Hardesty | 4413852 |
| Steven L. Shea | 4322671 |
| V. Randolph McMenamin | 4519641 |
| J. Scott Murphy | 4519730 |
| David A. Stepherson | 2008610 |
| Eric P. Schopf | 2149671 |
| Barbara L. Rishel | 4537813 |
| Charles A. Meyer | 2743959 |
| John J. Kernan | 6421793 |

James D. Hardesty**Born – 1946**

Mr. James D. Hardesty is the Chairman of the Board of Hardesty Capital Management.

Item 2 – Educational Background and Business Experience

Mr. Hardesty earned a B.S. degree from Georgetown University and an MBA from Columbia University. He is a member of the CFA Institute and is a member of the Baltimore CFA Society. He founded the firm in 1995 and is the managing partner.

Item 3 – Disciplinary Information

There are no legal or disciplinary events associated with Mr. Hardesty.

Item 4 – Other Business Activities

Mr. Hardesty is not actively engaged in any investment related business or occupation.

James D. Hardesty serves as Vice Chairman of the Board of the Harford Mutual Insurance Company. Harford Mutual provides property and casualty insurance products and services for businesses and is located in Bel Air, Maryland.

Item 5 – Additional Compensation

No additional compensation or economic benefits are received for providing advisory services.

Item 6 - Supervision

All advisory personnel operate as a team in setting investment strategy and approving investment ideas. The strategy and idea processes are conducted during formal investment committee meeting that are held weekly. However, the portfolio manager has the ultimate authority in implementing investment ideas in investment accounts based on his or her intimate knowledge of the client's investment goals and objectives. All trade activity is monitored on a weekly basis by the chief compliance officer to ensure that there is no deviation from decisions made by the investment committee. In addition, the account review process serves to ensure that investment strategy is being implemented within client's investment policy guidelines.

James Hardesty is responsible for the supervision of all advisory personnel. The Chief Compliance is responsible for regulatory compliance including internal policies and procedures related to our code of ethics.

All advisory personnel can be contacted at 410-400-8500

Steven L. Shea**Born – 1959**

Mr. Shea serves as Vice Chairman of the Board of Hardesty Capital Management.

Item 2 – Educational Background and Business Experience

Mr. Shea earned a B.A. degree from Tulane University. Prior to joining the firm in 2010, he served as Executive Vice President at Ferris Baker Watts, a regional brokerage firm located in Baltimore, MD.

Item 3 – Disciplinary Information

There are no legal or disciplinary events associated with Mr. Shea.

Item 4 – Other Business Activities

Mr. Shea is the managing member of Energy Infrastructure Capital, LLC. The intent of the firm is to originate, structure and own infrastructure assets in the oil and gas exploration and production sector. The position does not create a conflict of interest as no current Hardesty Capital Management clients have been, or are expected to be, solicited.

Mr. Shea serves as director of Blonder Tongue Laboratories, Inc. Blonder Tongue provides system operators and integrators serving the cable, broadcast, satellite, IPTV, institutional and professional video markets with comprehensive solutions for the provision of content contribution, distribution and video delivery to homes and businesses. Blonder Tongue is located in Old Bridge, New Jersey.

Item 5 – Additional Compensation

No additional compensation or economic benefits are received for providing advisory services.

Item 6 - Supervision

All advisory personnel operate as a team in setting investment strategy and approving investment ideas. The strategy and idea processes are conducted during formal investment committee meeting that are held weekly. However, the portfolio manager has the ultimate authority in implementing investment ideas in investment accounts based on his or her intimate knowledge of the client's investment goals and objectives. All trade activity is monitored on a weekly basis by the chief compliance officer to ensure that there is no deviation from decisions made by the investment committee. In addition, the account review process serves to ensure that investment strategy is being implemented within client's investment policy guidelines.

James Hardesty is responsible for the supervision of all advisory personnel. The Chief Compliance is responsible for regulatory compliance including internal policies and procedures related to our code of ethics.

All advisory personnel can be contacted at 410-400-8500

V. Randolph McMenamin, CFA*

Born - 1944

Mr. McMenamin is a Managing Director, portfolio manager and equity analyst with Hardesty Capital Management.

Item 2 - Educational Background and Business Experience

Mr. McMenamin earned a B.A degree from Wake Forest University. He is a member of the CFA Institute and is a member of the Baltimore CFA Society. He helped start the firm with Mr. Hardesty in 1995.

Item 3 – Disciplinary Information

There are no legal or disciplinary events associated with Mr. McMenamin.

Item 4 – Other Business Activities

Mr. McMenamin is not actively engaged in any investment related business or occupation.

Item 5 – Additional Compensation

No additional compensation or economic benefits are received for providing advisory services.

Item 6 - Supervision

All advisory personnel operate as a team in setting investment strategy and approving investment ideas. The strategy and idea processes are conducted during formal investment committee meeting that are held weekly. However, the portfolio manager has the ultimate authority in implementing investment ideas in investment accounts based on his or her intimate knowledge of the client's investment goals and objectives. All trade activity is monitored on a weekly basis by the chief compliance officer to ensure that there is no deviation from decisions made by the investment committee. In addition, the account review process serves to ensure that investment strategy is being implemented within client's investment policy guidelines.

James Hardesty is responsible for the supervision of all advisory personnel. The Chief Compliance is responsible for regulatory compliance including internal policies and procedures related to our code of ethics.

All advisory personnel can be contacted at 410-400-8500

J. Scott Murphy, MBA**

Born - 1968

Mr. Murphy is an Executive Vice President, portfolio manager and equity analyst. He also serves as Chief Financial Officer and is a partner of the firm.

Item 2 - Educational Background and Business Experience

Mr. Murphy earned a B.A. degree from Towson State University and an M.B.A. from the University of Baltimore. He joined the firm in 1997.

Item 3 – Disciplinary Information

There are no legal or disciplinary events associated with Mr. Murphy.

Item 4 – Other Business Activities

Mr. Murphy is not actively engaged in any investment related business or occupation.

Item 5 – Additional Compensation

No additional compensation or economic benefits are received for providing advisory services.

Item 6 - Supervision

All advisory personnel operate as a team in setting investment strategy and approving investment ideas. The strategy and idea processes are conducted during formal investment committee meeting that are held weekly. However, the portfolio manager has the ultimate authority in implementing investment ideas in investment accounts based on his or her intimate knowledge of the client's investment goals and objectives. All trade activity is monitored on a weekly basis by the chief compliance officer to ensure that there is no deviation from decisions made by the investment committee. In addition, the account review process serves to ensure that investment strategy is being implemented within client's investment policy guidelines.

James Hardesty is responsible for the supervision of all advisory personnel. The Chief Compliance is responsible for regulatory compliance including internal policies and procedures related to our code of ethics.

All advisory personnel can be contacted at 410-400-8500

David Stepherson, CFA*

Born - 1967

Mr. Stepherson is a Vice President, portfolio manager and equity analyst with the firm. He also serves as Chief Investment Officer and is a partner of the firm.

Item 2 - Educational Background and Business Experience

Mr. Stepherson earned a B.A. degree from the University of Texas at Austin. He is a member of the CFA Institute and is a member of the Baltimore CFA Society. He joined the firm in 1999.

Item 3 – Disciplinary Information

There are no legal or disciplinary events associated with Mr. Stepherson.

Item 4 – Other Business Activities

Mr. Stepherson is not actively engaged in any investment related business or occupation.

Item 5 – Additional Compensation

No additional compensation or economic benefits are received for providing advisory services.

Item 6 – Supervision

All advisory personnel operate as a team in setting investment strategy and approving investment ideas. The strategy and idea processes are conducted during formal investment committee meeting that are held weekly. However, the portfolio manager has the ultimate authority in implementing investment ideas in investment accounts based on his or her intimate knowledge of the client's investment goals and objectives. All trade activity is monitored on a weekly basis by the chief compliance officer to ensure that there is no deviation from decisions made by the investment committee. In addition, the account review process serves to ensure that investment strategy is being implemented within client's investment policy guidelines.

James Hardesty is responsible for the supervision of all advisory personnel. The Chief Compliance is responsible for regulatory compliance including internal policies and procedures related to our code of ethics.

All advisory personnel can be contacted at 410-400-8500

Eric P. Schopf, MBA**

Born - 1963

Mr. Schopf is a Vice President, portfolio manager, and equity analyst with the firm. He also serves as Chief Compliance Officer and is a partner of the firm.

Item 2 - Educational Background and Business Experience

Mr. Schopf earned a B.S. degree from the University of Maryland and an M.B.A. from the York College of Pennsylvania. He joined the firm in 2001.

Item 3 – Disciplinary Information

There are no legal or disciplinary events associated with Mr. Schopf.

Item 4 – Other Business Activities

Mr. Schopf is not actively engaged in any investment related business or occupation.

Item 5 – Additional Compensation

No additional compensation or economic benefits are received for providing advisory services.

Item 6 - Supervision

All advisory personnel operate as a team in setting investment strategy and approving investment ideas. The strategy and idea processes are conducted during formal investment committee meeting that are held weekly. However, the portfolio manager has the ultimate authority in implementing investment ideas in investment accounts based on his or her intimate knowledge of the client's investment goals and objectives. All trade activity is monitored on a weekly basis by the chief compliance officer to ensure that there is no deviation from decisions made by the investment committee. In addition, the account review process serves to ensure that investment strategy is being implemented within client's investment policy guidelines.

James Hardesty is responsible for the supervision of all advisory personnel. The Chief Compliance is responsible for regulatory compliance including internal policies and procedures related to our code of ethics.

All advisory personnel can be contacted at 410-400-8500

Barbara L. Rishel, MBA**

Born - 1960

Mrs. Rishel is a Vice President, portfolio manager and equity analyst with the firm.

Item 2 - Educational Background and Business Experience

Mrs. Rishel earned a B.S. and M.B.A. from the University of Baltimore. Prior to joining the firm in 2011, she was a financial advisor for Bank of America and Merrill Lynch, Pierce, Fenner & Smith.

Item 3 – Disciplinary Information

There are no legal or disciplinary events associated with Mrs. Rishel.

Item 4 – Other Business Activities

Mrs. Rishel is not actively engaged in any investment related business or occupation.

Item 5 – Additional Compensation

No additional compensation or economic benefits are received for providing advisory services.

Item 6 - Supervision

All advisory personnel operate as a team in setting investment strategy and approving investment ideas. The strategy and idea processes are conducted during formal investment committee meeting that are held weekly. However, the portfolio manager has the ultimate authority in implementing investment ideas in investment accounts based on his or her intimate knowledge of the client's investment goals and objectives. All trade activity is monitored on a weekly basis by the chief compliance officer to ensure that there is no deviation from decisions made by the investment committee. In addition, the account review process serves to ensure that investment strategy is being implemented within client's investment policy guidelines.

James Hardesty is responsible for the supervision of all advisory personnel. The Chief Compliance is responsible for regulatory compliance including internal policies and procedures related to our code of ethics.

All advisory personnel can be contacted at 410-400-8500

Charles A. Meyer

Born - 1968

Mr. Meyer serves as President of Hardesty Capital Management.

Item 2 – Educational Background and Business Experience

Mr. Meyer earned a B.A. degree from New York University and an MBA from Columbia University. He joined the firm in 2013. He owned and served as President of CRC Solomon from 2009 through 2013. From 2005 through 2009 he was a Managing Director at Stifel Financial, a brokerage and investment banking company.

Item 3 – Disciplinary Information

There are no legal or disciplinary events associated with Mr. Meyer.

Item 4 – Other Business Activities

Mr. Meyer is not actively engaged in any investment related business or occupation.

Item 5 – Additional Compensation

No additional compensation or economic benefits are received for providing advisory services.

Item 6 - Supervision

All advisory personnel operate as a team in setting investment strategy and approving investment ideas. The strategy and idea processes are conducted during formal investment committee meeting that are held weekly. However, the portfolio manager has the ultimate authority in implementing investment ideas in investment accounts based on his or her intimate knowledge of the client's investment goals and objectives. All trade activity is monitored on a weekly basis by the chief compliance officer to ensure that there is no deviation from decisions made by the investment committee. In addition, the account review process serves to ensure that investment strategy is being implemented within client's investment policy guidelines.

James Hardesty is responsible for the supervision of all advisory personnel. The Chief Compliance is responsible for regulatory compliance including internal policies and procedures related to our code of ethics.

All advisory personnel can be contacted at 410-400-8500

John J. Kernan**Born - 1985**

Mr. Kernan is an equity research associate.

Item 2 – Educational Background and Business Experience

Mr. Kernan earned a B.S. degree from The Johns Hopkins University. He joined the firm in 2008.

Item 3 – Disciplinary Information

There are no legal or disciplinary events associated with Mr. Kernan.

Item 4 – Other Business Activities

Mr. Kernan is not actively engaged in any investment related business or occupation.

Item 5 – Additional Compensation

No additional compensation or economic benefits are received for providing advisory services.

Item 6 - Supervision

All advisory personnel operate as a team in setting investment strategy and approving investment ideas. The strategy and idea processes are conducted during formal investment committee meeting that are held weekly. However, the portfolio manager has the ultimate authority in implementing investment ideas in investment accounts based on his or her intimate knowledge of the client's investment goals and objectives. All trade activity is monitored on a weekly basis by the chief compliance officer to ensure that there is no deviation from decisions made by the investment committee. In addition, the account review process serves to ensure that investment strategy is being implemented within client's investment policy guidelines.

James Hardesty is responsible for the supervision of all advisory personnel. The Chief Compliance is responsible for regulatory compliance including internal policies and procedures related to our code of ethics.

All advisory personnel can be contacted at 410-400-8500

*A CFA “Chartered Financial Analyst” is a graduate level self-study program offered by the CFA Institute. The CFA charter is a qualification for finance and investment professionals, particularly in the fields of investment management and financial analysis of stocks, bonds and their derivative assets.

To become a charter holder, a candidate must satisfy the following requirements.

- Complete the CFA Program (mastery of the current CFA curriculum and passing a series of three six hour examinations)
- Possess a bachelor's degree (or equivalent) from an accredited institution
- Have four years (48 months) of qualified work experience (or a combination of education and work experience acceptable by the CFA Institute)
- Become a member of the CFA Institute and apply for membership to a local CFA member society
- Adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct

** An M.B.A. “Masters of Business Administration” is a graduate level education which includes various areas of study such as accounting, finance, marketing, human resources and operations management.