

Chesme Capital Management

124 N. Bridge St., DeWitt, MI 48820

(517) 669-1600

www.chesme.com

1/1/2015



This Brochure provides information about the qualifications and business practices of Chesme Capital Management. If you have any questions about the contents of this Brochure, please contact us at (517) 669-1600 or chuck@chesme.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 Chesme Capital Management also is available on the SEC's website at www.adviserinfo.sec.gov.

Chesme Capital Management is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Item 2 – Material Changes

This Item will discuss only material changes made to the Brochure since our last annual update. The last update of this Brochure occurred on 1 January 2014.

There are no material changes to report since the last annual update.

Our Brochure may be requested by contacting *Charles H. Embs, Chief Compliance Officer, at (517) 669-1600 or chuck@chesme.com*. Our Brochure is also available on our web site www.chesme.com.

Item 3 -Table of Contents

Item 1 – Cover Page	i
Item 2 – Material Changes.....	ii
Item 3 - Table of Contents	iii
Item 4 – Advisory Business	1
Item 5 – Fees and Compensation	3
Item 6 – Performance-Based Fees and Side-By-Side Management.....	4
Item 7 – Types of Clients	4
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	5
Item 9 – Disciplinary Information	5
Item 10 – Other Financial Industry Activities and Affiliations	5
Item 11 – Code of Ethics	6
Item 12 – Brokerage Practices	7
Item 13 – Review of Accounts	7
Item 14 – Client Referrals and Other Compensation.....	7
Item 15 – Custody	8
Item 16 – Investment Discretion.....	8
Item 17 – Voting Client Securities	8
Item 18 – Financial Information.....	8

Item 4 – Advisory Business

Chesme Capital Management (hereinafter the “Firm”) is an investment advisory firm registered with the Securities & Exchange Commission (SEC). The Firm provides advisory services to both individual and institutional clients.

Professionals associated with the Firm who are appropriately qualified and authorized to provide investment advice to clients, on the Firm’s behalf, are referred to as Investment Adviser Representatives (hereinafter “Advisors”). All employees of the Firm, to include owners, directors, Advisors, and all other staff members, that have access to nonpublic client information are referred to as “Access Persons.”

The Firm was established in 2003 and is owned 100% by Charles H. Embs. The Firm is controlled by the following professionals:

Chief Executive Officer: Douglas J. Vaughn	Chief Investment Officer: Stephen M. Erb
Chief Operations Officer: Angela K. Mallard	Chief Compliance Officer: Charles H. Embs

The foundation of the Firm is its discipline and commitment to a fiduciary standard of care. We practice nothing short of full disclosure and complete transparency. We make every effort to avoid conflicts-of-interest and make full disclosure of any material conflicts that could affect our advisory relationships.

ADVISORY SERVICES - The Firm provides advisory services to individual clients in the form of Comprehensive Financial Planning, Investment Planning, and Portfolio Management.

The Firm provides advisory services to institutional clients in the form of Fiduciary Consulting, Investment Management (ERISA accounts), and Portfolio Management (non-ERISA accounts).

PLANNING (Individual accounts)

- **Investment Planning**: A goals-based, customized planning process for developing a prudent and realistic asset allocation strategy to meet a client’s future cash flow needs (income replacement) while avoiding both undue sacrifices to the client’s current lifestyle and unnecessary investment risk.
- **Comprehensive Financial Planning**: A comprehensive evaluation of an investor’s current and future financial state by using currently known variables to predict future cash flows, asset values, and withdrawal plans while recognizing and mitigating risks that may arise due to unforeseen circumstances.

PORTFOLIO MANAGEMENT (Individual/Institutional accounts)

The Firm provides portfolio management services to both individual and non-ERISA institutional accounts. Portfolio management is offered as a standalone service (on a non-discretionary basis) or it may be used in conjunction with the Firm's planning services.

Advisors will gather a sufficient level of relevant information concerning the client's investment knowledge, current financial state, investment objectives, expectations, risk tolerance, and reasonable restrictions the client wishes to place on the management of the client's assets. The Advisor's advice and portfolio management recommendations will be specifically tailored to the goals, needs, and desires of each client individually. The Firm does not limit the types of investments utilized in portfolio construction.

The Advisor will contact the client, at least annually, to review the client's financial circumstances and make any necessary adjustments to the current asset allocation. The client is reminded to promptly notify the Advisor of any changes to the client's financial situation, investment objectives, risk tolerance, or account restrictions. In addition, the Advisor will assist the client in understanding and evaluating the services provided by the Advisor.

FIDUCIARY CONSULTING & INVESTMENT MANAGEMENT (Institutional accounts)

The Firm engages in fiduciary consulting & investment management for employer sponsored retirement plans at the Plan Level, Investment Level, and Participant Level. Duties include:

- Fiduciary Appointment Acceptance in Writing (as outlined by ERISA)
- Plan / Fee Analysis
- Investment Policy Statement Preparation / Monitoring
- Vendor Search (Request for Proposal / Information)
- Vendor Pricing Negotiation
- Investment / Investment Manager Selection
- Investment Monitoring / Benchmarking
- Performance Reporting
- Participant Education, Guidance, or Advice

WRAP FEE PROGRAM

The Firm does not participate in any wrap fee programs.

ASSETS UNDER MANAGEMENT

As of 12/31/2014, the Firm had a total of \$437,372,514 of assets under management. Of that total, \$317,854,127 is managed on a discretionary basis with the remaining \$119,518,387 being managed on a non-discretionary basis.

Item 5 – Fees and Compensation

PLANNING SERVICES

Investment Planning: Depending on the complexity of the planning to be performed and the frequency of communication/reporting, fees for Investment Planning are typically charged as a flat annual fee [\$500 to \$2,500 – negotiable] and are charged in addition to Portfolio Management fees [see Portfolio Management Annual Fee Schedule below].

Comprehensive Financial Planning: Depending on the complexity of the planning to be performed and the frequency of communication/reporting, fees for Comprehensive Financial Planning are typically charged as a flat annual fee [\$2,500 to \$6,000 – negotiable], include Investment Planning, and are charged in addition to Portfolio Management fees [see Portfolio Management Annual Fee Schedule below].

PORTFOLIO MANAGEMENT ANNUAL FEE SCHEDULE

For Balances Less Than \$50,000	\$500 Flat Fee
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For Balances Over \$50,000

On the first \$250,000 (up to \$250,000 in total assets)	1.00%
On the next \$250,000 (up to \$500,000 in total assets)	0.80%
On the next \$250,000 (up to \$750,000 in total assets)	0.60%
On the next \$250,000 (up to \$1,000,000 in total assets)	0.40%
For a balances over \$1,000,000	Negotiable

The specific manner in which fees are charged by the Firm is established in a client's written investment advisory agreement with the Firm. The Firm will typically bill its fees, in arrears, on a quarterly (calendar) basis.

Clients may elect to be billed directly for fees or to authorize the Firm to directly debit fees from client accounts. Advisory fees shall not be prorated for each capital contribution and withdrawal made during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee based on the number of days in the quarter in which services are provided divided by the total numbers of days in the quarter. Upon termination of any account, any earned, unpaid fees will be due and payable.

Clients may incur certain charges imposed by custodians, brokers, third party investment advisors and other third parties. These fees may include fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on investment accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus.

Such charges, fees and commissions are exclusive of and in addition to the Firm's advisory/portfolio management fees.

The Firm does not accept any direct or indirect compensation, in the form of commissions, front-end loads, contingent deferred sales charges, "soft dollars" or "revenue sharing," research, sales bonuses, or gifts from the investments, investment companies, or any other third parties we recommend to our clients.

FIDUCIARY CONSULTING & INVESTMENT MANAGEMENT (Institutional accounts)

The Firm's fee schedule for retirement plan fiduciary consulting & investment management is negotiable and will be based on the level of service and fiduciary responsibility assumed by the Firm as well as the complexity of the plan.

The Firm typically charges a fee to cover duties that are normally fixed in duration and are performed at the onset of the fiduciary process. These duties may include analyzing the existing plan, reviewing, creating, or modifying the Investment Policy Statement, conducting a vendor search, and plan conversion/enrollment activities. The Firm will charge a one-time, flat fee of \$2,500 - \$25,000 for these services.

The Firm will also charge a fee for fiduciary duties that are performed on an on-going basis. These duties may include investment monitoring and benchmarking, performance reporting, and the delivery of participant level services. The Firm typically charge an annual fee, expressed as a percentage of assets, ranging from 0.15% to 0.40% for these services.

The Firm does not accept any direct or indirect compensation, in the form of commissions, front-end loads, contingent deferred sales charges, "soft dollars" or "revenue sharing," research, sales bonuses, or gifts from the investments, investment companies, or any other third parties we recommend to our clients.

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

The Firm does not charge performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client) nor does the Firm participate in side-by-side management transactions.

Item 7 – Types of Clients

The Firm provides advisory services to individuals, high net worth individuals, corporate pension and profit-sharing plans, corporations, charitable institutions, foundations, and endowments. We do not impose a minimum account size for any advisory relationship.

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

IMPORTANT DISCLOSURE: Investing in securities involves risk of loss that clients should be prepared to bear.

Chesme Capital Management believes in passive or quantitative money management philosophies that focus on specific asset class risk and return characteristics while limiting expenses, portfolio turnover, and trading costs. We do not engage in “stock picking” or “market timing.”

Capital markets are composed of many classes of securities, including stocks and bonds, both domestic and international. A group of securities with shared economic traits is commonly referred to as an asset class. There are several asset classes (e.g. domestic large cap, international small cap, etc.), all with average price movements that are distinct from one another. Our investment strategies involve blending a combination of different asset classes into a well diversified portfolio that matches a client’s risk tolerance and investment goals. It is important to note that diversification does not protect you from a loss caused by an overall decline in financial markets.

The Firm primarily utilizes “no-load” or institutional share class mutual funds to construct client portfolios. Mutual funds are regulated by the U.S. Securities and Exchange Commission (SEC), which requires funds to disclose the information an investor needs to make sound decisions.

Unlike bank deposits, mutual fund shares are not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other agency of the U.S. government. In addition, the profits on a mutual fund investment are typically subject to federal (and often, state and local) income tax unless you're investing through a tax-free retirement or education account.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the Firm or the integrity of the Firm’s management. The Firm has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Neither the Firm nor management persons of the Firm are actively engaged in a business other than giving investment advice. The Firm does not sell products or services other than investment advice to clients.

Neither the Firm nor management persons of the Firm are affiliated with a broker dealer or any other organization within the financial services industry that is material to its advisory business.

Item 11 – Code of Ethics

The Firm has adopted a code of ethics (the “Code” or “Code of Ethics”) in compliance with Rule 204A-1 under the Advisers Act in order to specify the standard of conduct expected of its Access Persons. All Access Persons at the Firm must acknowledge the terms of the Code of Ethics annually, or as amended. The Firm’s clients or prospective clients may request a copy of the firm’s Code of Ethics by contacting Charles H. Embs, Chief Compliance Officer.

In adopting this Code, the Firm recognizes that it, and its Access Persons, owe a fiduciary duty to the Firm’s client accounts and must (1) at all times place the interests of Firm clients first; (2) conduct personal securities transactions in a manner consistent with this Code and avoid any abuse of a position of trust and responsibility; and (3) adhere to the fundamental standard that Access Persons should not take inappropriate advantage of their positions. In addition, the Firm and its Access Persons must comply with all applicable federal securities laws, which shall generally be explained in the Firm’s Compliance Manual. Access Persons must report any violations of the Code of Ethics to the Firm’s Chief Compliance Officer.

No Access Person of the Firm may purchase or sell, directly or indirectly, any Security in which the Firm or the Access Person has any direct or indirect material financial interest.

Subject to satisfying this policy and applicable laws, officers, directors and Access Persons of the Firm may trade, for their own accounts, in securities which are recommended to the Firm’s clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of Access Persons will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Under the Code, certain classes of securities may be designated as exempt transactions, based upon a determination that these would materially interfere with the best interest of the Firm’s clients. In addition, the Code requires pre-clearance of certain transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics, in some circumstances, would permit Access Persons to invest in the same securities as clients, there is a possibility that Access Persons might benefit from market activity by a client in a security held by an Access Person. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between the Firm and its clients.

Each Advisor is required to submit a Transaction Report on his or her own personal investment transactions on a quarterly basis. These reports are reviewed by the Chief Compliance Officer. In addition, each employee of the Firm is required to submit a Certification and Holdings report annually that will be reviewed by the Chief Compliance Officer.

Item 12 – Brokerage Practices

The Firm has a duty to seek best execution for clients transactions and therefore maintains a Best Execution Committee to perform due diligence on several brokers/custodians.

The Firm has chosen to work with brokers/custodians that offer the best value with respect to cost and services provided. Furthermore, the Firm does not accept any additional benefits (cash, referrals, or otherwise) from any broker/custodian that is utilized in the management of a client's account.

Although the Firm does not have discretionary authority to determine the custodian to be used or the commission rates and/or transaction costs to be paid, the Firm reserves the right to decline a client's account if the client wishes to select a broker/custodian other than a custodian for which the Firm has conducted due diligence.

Item 13 – Review of Accounts

Each Advisor will conduct (or make a reasonable attempt to conduct) an annual portfolio review with every client in Advisor's assigned book of business. The review will be comprehensive in nature based on the information provided by the client. Advisors are required to diligently solicit a requisite amount of information, from the client, in order to ensure the advice provided is suitable and prudent to each client's individual circumstance.

Factors that may trigger additional reviews include changes in client circumstances, changes in world or economic events, changes in the strategies used to construct client portfolios.

As indicated below in Item 15, clients will receive a quarterly statement from their respective custodian. This statement will show the client's total portfolio value, the securities held, and activity in the account. Clients will also receive transaction confirmations on all transactions in their account on a trade-by-trade basis.

Item 14 – Client Referrals and Other Compensation

The Firm does not accept any direct or indirect compensation, in the form of commissions, front-end loads, contingent deferred sales charges, "soft dollars" or "revenue sharing," research, sales bonuses, or gifts from the investments, investment companies, or any other third parties we recommend to our clients.

The Firm has, from time-to-time, engaged in solicitor relationships in accordance with the disclosure requirements SEC rule 206(4)-3. At the time of this annual update, the Firm is not compensating any third party for referrals.

Item 15 – Custody

It is the Firm's policy to not accept physical custody of clients' securities, funds or assets.

Clients should receive at least quarterly statements from the qualified custodian that holds and maintains client's investment assets. The Firm urges you to carefully review these statements and compare them to reports the Firm sends to you.

Item 16 – Investment Discretion

It is the Firm's policy to exercise discretion on behalf of clients only when granted with the requisite authority by the client. If a client requests the Firm assume discretionary authority and the Firm accepts, the terms of the authority granted to the Firm will be outlined in the Client Agreement which may include limitations imposed by the client.

An account becomes discretionary when the client has given the Firm the written authority to make investment decisions on their behalf without first having to seek the client's consent.

The Firm accepts discretionary authority in the performance of the Firm's duties as an ERISA 3(38) Investment Manager on an institutional retirement plans.

Neither the Firm nor any Advisor guarantees the investment performance of any asset.

Item 17 – Voting Client Securities

As a matter of Firm policy and practice, the Firm does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Upon request, the Firm may provide advice to clients regarding the voting of proxies.

Item 18 – Financial Information

The Firm has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.



James F. Devereaux

Chesme Capital Management

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1/1/2015

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Additional information about James F. Devereaux is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2- Educational Background and Business Experience

James F. Devereaux, ChFC®, CLU®

Investment Advisor Representative

Year of Birth: 1946

Formal Education After High School

The American College, Bryn Mawr, PA, Chartered Life Underwriter, 1989

The American College, Bryn Mawr, PA, Chartered Financial Consultant, 1988

School for Bank Administration, University of Wisconsin, Graduate, 1979

Davenport University – 1976-1977

Grand Rapids Junior College – 1967-68

Business Background Previous Five Years

Chesme Capital Management, 2006 – Present, Investment Advisor Representative

Professional Designation Description

ChFC - Chartered Financial Consultant	
Designation	Chartered Financial Consultant
Designation Status	Currently offered and recognized by the issuing organization
Acronym	ChFC
Issuing Organization	The American College
Prerequisites/Experience Required	Three years of full-time business experience within the five years preceding the awarding of the designation
Educational Requirements	Six core and two elective courses
Examination Type	Final proctored exam for each course
Continuing Education/Experience Requirements	30 CE credits every two years
Investor Complaint Process	Online at Submit a Customer/Consumer Complaint
Public Disciplinary Process	None
Check Professional's Status Online	None
Accredited By	None

CLU - Chartered Life Underwriter	
Designation	Chartered Life Underwriter
Designation Status	Currently offered and recognized by the issuing organization
Acronym	CLU
Issuing Organization	The American College
Prerequisites/Experience Required	Three years of full-time business experience within the five years preceding the awarding of the designation
Educational Requirements	Five core and three elective courses
Examination Type	Final proctored exam for each course
Continuing Education/Experience Requirements	30 hours every two years
Investor Complaint Process	Online at Submit a Customer/Consumer Complaint
Public Disciplinary Process	None
Check Professional's Status Online	None
Accredited By	None

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

Item 4- Other Business Activities

The Advisor is not engaged in any investment related business/occupation outside of Chesme Capital Management.

Item 5- Additional Compensation

Neither Chesme Capital Management nor its Advisors accept additional benefits (cash or otherwise) from any third party employed in the management of client accounts. We practice full disclosure as it pertains to any real or perceived conflicts-of-interest and complete transparency as it relates to fees.

Item 6 - Supervision

Every investment advisory firm is required to maintain a written document that sets forth the firm's compliance and supervisory policies and procedures for the firm and its personnel while providing investment advisory services to the Firm's clients. These guidelines have been designed to prevent violations of the Investment Advisory Act of 1940 and all applicable laws, rules, and regulations from occurring, detecting violations that have occurred, and promptly correcting any violations that have occurred.

Chesme Capital Management has a strong compliance culture. The Firm has:

- implemented its compliance program within a strategic vision of contributing to its immediate and long-term success by ensuring that the interests of its clients are always placed ahead of its own, the Firm operates its business in a highly ethical manner, and maintains strict compliance with all applicable laws, rules, and regulations;
- identified the specific risks that could arise in each of the strategic areas of its operations and established control points for each of these risks;
- documented its compliance culture in a manner that provides transparency to senior management, auditors, and regulators;
- identified specific people to be accountable for managing each specific element of its compliance program;
- mandated all members of the firm proactively identify and bring forth new ideas and procedures to enhance existing compliance efforts.

The individuals listed below are responsible for overseeing and maintaining the Firm's compliance program and supervising both the operations and employees of the Firm.

Chief Executive Officer (Douglas J. Vaughn, 517-669-1600) - The Chief Executive Officer oversees the general business and strategic aspects of the Firm and is for "setting the tone at the top" to convey the importance of compliance within the Firm's strategic vision.

Chief Operations Officer (Angela K. Mallard, 517-669-1600) - The Chief Operations Officer is generally responsible for supervising and reviewing the performance of all Firm administrative systems and personnel engaged in processing account information and recordkeeping.

Chief Compliance Officer (Charles H. Embs, 517-669-1600) - The Chief Compliance Officer is ultimately responsible for all aspects of the Firm's compliance program and the supervisory system. The Chief Compliance Officer will assess the effectiveness of the Firm's compliance program, through scheduled and periodic reviews/monitoring, and revise the program as necessary.



Charles H. Embs

Chesme Capital Management

124 N. Bridge St., DeWitt, MI 48820

(517) 669-1600

1/1/2015

This Brochure Supplement provides information about Charles H. Embs that supplements the Chesme Capital Management Brochure. You should have received a copy of that Brochure. Please contact Charles H. Embs, Chief Compliance Officer, at the number above if you did not receive Chesme Capital Management's Brochure or if you have any questions about the contents of this supplement.

Additional information about Charles H. Embs is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2- Educational Background and Business Experience

Charles H. Embs, AIF®

Chief Compliance Officer

Investment Advisor Representative

Year of Birth: 1968

Formal Education After High School

Air Command and Staff College (ACSC), Air University, Professional Military Education (2010)

Squadron Officer's School (SOS), Air University, Professional Military Education (2003)

Master of Science, Air Force Institute of Technology, Contracting Management (1995)

Bachelor of Science, United States Air Force Academy, General Engineering/Economics (1991)

Business Background Previous Five Years

Chesme Capital Management, 2003 – Present, Investment Advisor Representative

United States Air Force Reserves, 2000 – Present, Officer

Professional Designation Description

AIF - Accredited Investment Fiduciary	
Designation	Accredited Investment Fiduciary
Designation Status	Currently offered and recognized by the issuing organization
Acronym	AIF
Issuing Organization	Center for Fiduciary Studies
Prerequisites/Experience Required	None
Educational Requirements	Candidate must complete one of the following: <ul style="list-style-type: none">• Web-based program• Capstone program
Examination Type	Final certification exam, closed book
Continuing Education/Experience Requirements	6 hours per year
Investor Complaint Process	Online at Designations Complaint Process
Public Disciplinary Process	Yes. Hearing Panel censures may be made public. To date no censures have been made public.
Check Professional's Status Online	Online at Professional Designee Search
Accredited By	None

Item 3- Disciplinary Information

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Item 4- Other Business Activities

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Item 5- Additional Compensation

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Item 6 - Supervision

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- identified the specific risks that could arise in each of the strategic areas of its operations and established control points for each of these risks;
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Stephen M. Erb

Chesme Capital Management

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Additional information about Stephen M. Erb is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2- Educational Background and Business Experience

Stephen M. Erb, AIF®

Chief Investment Officer

Investment Advisor Representative

Year of Birth: 1969

Formal Education After High School

Bachelor of Arts, Michigan State University, Marketing (1991)

Business Background Previous Five Years

Chesme Capital Management, 2005 – Present, Investment Advisor Representative

Professional Designation Description

AIF - Accredited Investment Fiduciary	
Designation	Accredited Investment Fiduciary
Designation Status	Currently offered and recognized by the issuing organization
Acronym	AIF
Issuing Organization	Center for Fiduciary Studies
Prerequisites/Experience Required	None
Educational Requirements	Candidate must complete one of the following: <ul style="list-style-type: none">• Web-based program• Capstone program
Examination Type	Final certification exam, closed book
Continuing Education/Experience Requirements	6 hours per year
Investor Complaint Process	Online at Designations Complaint Process
Public Disciplinary Process	Yes. Hearing Panel censures may be made public. To date no censures have been made public.
Check Professional's Status Online	Online at Professional Designee Search
Accredited By	None

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

Item 4- Other Business Activities

The Advisor is not engaged in any investment related business/occupation outside of Chesme Capital Management.

Item 5- Additional Compensation

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Item 6 - Supervision

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Chief Compliance Officer (Charles H. Embs, 517-669-1600) - The Chief Compliance Officer is ultimately responsible for all aspects of the Firm's compliance program and the supervisory system. The Chief Compliance Officer will assess the effectiveness of the Firm's compliance program, through scheduled and periodic reviews/monitoring, and revise the program as necessary.



Douglas J. Vaughn

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Additional information about Douglas J. Vaughn is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2- Educational Background and Business Experience

Douglas J. Vaughn, CFP®

Chief Executive Officer

Investment Advisor Representative

Year of Birth: 1963

Formal Education After High School

Bachelor of Science, University of Florida, Finance (1991)

Business Background Previous Five Years

Chesme Capital Management, 2005 – Present, Investment Advisor Representative

Professional Designation Description

CFP - Certified Financial Planner	
Designation	Certified Financial Planner
Designation Status	Currently offered and recognized by the issuing organization
Acronym	CFP
Issuing Organization	Certified Financial Planner Board of Standards, Inc.
Prerequisites/Experience Required	Candidate must meet the following requirements: <ul style="list-style-type: none">• A bachelor's degree (or higher) from an accredited college or university, and• Three years of full-time personal financial planning experience
Educational Requirements	Candidate must complete a CFP-board registered program , or hold <u>one</u> of the following: <ul style="list-style-type: none">• CPA• ChFC• Chartered Life Underwriter (CLU)• CFA• Ph.D. in business or economics• Doctor of Business Administration• Attorney's License
Examination Type	CFP Certification Examination
Continuing Education/Experience Requirements	30 hours every two years
Investor Complaint Process	Online at Submit a Complaint
Public Disciplinary Process	Online at Public Disciplinary Actions
Check Professional's Status Online	Online at Search for a Certified Financial Planner Professional
Accredited By	National Commission for Certifying Agencies (NCCA)

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

Item 4- Other Business Activities

The Advisor is not engaged in any investment related business/occupation outside of Chesme Capital Management.

Item 5- Additional Compensation

Neither Chesme Capital Management nor its Advisors accept additional benefits (cash or otherwise) from any third party employed in the management of client accounts. We practice full disclosure as it pertains to any real or perceived conflicts-of-interest and complete transparency as it relates to fees.

Item 6 - Supervision

Every investment advisory firm is required to maintain a written document that sets forth the firm's compliance and supervisory policies and procedures for the firm and its personnel while providing investment advisory services to the Firm's clients. These guidelines have been designed to prevent violations of the Investment Advisory Act of 1940 and all applicable laws, rules, and regulations from occurring, detecting violations that have occurred, and promptly correcting any violations that have occurred.

Chesme Capital Management has a strong compliance culture. The Firm has:

- implemented its compliance program within a strategic vision of contributing to its immediate and long-term success by ensuring that the interests of its clients are always placed ahead of its own, the Firm operates its business in a highly ethical manner, and maintains strict compliance with all applicable laws, rules, and regulations;
- identified the specific risks that could arise in each of the strategic areas of its operations and established control points for each of these risks;
- documented its compliance culture in a manner that provides transparency to senior management, auditors, and regulators;
- identified specific people to be accountable for managing each specific element of its compliance program;
- mandated all members of the firm proactively identify and bring forth new ideas and procedures to enhance existing compliance efforts.

The individuals listed below are responsible for overseeing and maintaining the Firm's compliance program and supervising both the operations and employees of the Firm.

Chief Executive Officer (Douglas J. Vaughn, 517-669-1600) - The Chief Executive Officer oversees the general business and strategic aspects of the Firm and is for "setting the tone at the top" to convey the importance of compliance within the Firm's strategic vision.

Chief Operations Officer (Angela K. Mallard, 517-669-1600) - The Chief Operations Officer is generally responsible for supervising and reviewing the performance of all Firm administrative systems and personnel engaged in processing account information and recordkeeping.

Chief Compliance Officer (Charles H. Embs, 517-669-1600) - The Chief Compliance Officer is ultimately responsible for all aspects of the Firm's compliance program and the supervisory system. The Chief Compliance Officer will assess the effectiveness of the Firm's compliance program, through scheduled and periodic reviews/monitoring, and revise the program as necessary.