

HCM Investors, Inc.

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This brochure provides information about the qualifications and business practices of HCM Investors, Inc. If you have any questions about the contents of this brochure, please contact us at 720-890-8826 or email us at hcminv@comcast.net. 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 HCM Investors, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

HCM Investors, Inc. is registered with the Colorado Division of Securities. However, this registration does not imply a certain level of skill or training.

Item 2. **Material Changes**

The changes included in the April, 2012 update concern the following topics:

- 1) Change of address for HCM Investors, Inc
- 2) Removal of a minority shareholder.
- 3) Assets under management.

The changes included in the December, 2013 update concern the following topics:

- 1) Assets under management.

The changes included in the August, 2014 update concern the following topics:

- 1) Change of address for HCM Investors, Inc.
- 2) Assets under Management

The changes in the May15, 2015 update concern the following topics:

- 1) Assets under Management

The changes in the Jan.4, 2016 update concern the following topics:

- 1) Assets under Management

The changes in the Jan.3, 2017 update concern the following topics:

- 1) Assets under Management

The changes in the Jan. 14, 2018 update concern the following topics:

- 1) Assets under Management

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Item 4. Advisory Business

This section provides general information about our firm, the services we offer and the amount of assets under our management.

A. Our Firm, its History and Our Principal Owners

HCM Investors, Inc. was founded in 1996 as a “Back to Basics” investment firm. We specialize in managing conservative, long-term investment portfolios for individuals, families, and institutions. We are an independent, woman-owned, Colorado firm. Our principal owner is Katherine Spines.

We require that anyone involved in determining or giving investment advice to clients have a minimum of a Bachelors degree in Finance or a Chartered Financial Analyst designation and at least five years experience in the investment advisory business or a related field.

B. Types of Advisory Services We Offer

Our clients authorize us to use our best judgment to purchase and sell securities, reinvest cash, and otherwise supervise their account. This agreement is formalized in an *Investment Management Contract*.

Generally, we invest in U.S. companies and domestic multi-national stocks, and high-quality U.S. intermediate term taxable and non-taxable bonds. For clients that want further diversification, we also invest in: international, sector, small/mid cap, and value Mutual Funds and Exchange Traded Funds. (For more specific information please see Item 8.)

C. How We Tailor Our Advisory Services to the Individual Needs of Our Clients

Based on in depth conversations with you, we develop a thorough understanding of your financial goals and objectives. We then create an individualized investment strategy customized specifically for your future plans. Key elements included are your risk profile, income requirements, tax situation, age, and when you will require funds for retirement, college tuition, or other needs. Next, we define the appropriate mix of assets: stocks, bonds, and cash for your particular situation.

Assets are monitored regularly to determine if they continue to meet our criteria and your needs. We review your financial objectives with you as often as necessary to meet your changing circumstances or goals— usually once or twice a year.

Since we customize portfolios, we encourage clients to discuss any restrictions they would like to place on their portfolios. However, such restrictions could affect your account’s performance. Any restrictions made are documented in your personal file.

D. Wrap Fee Programs – Not Applicable

E. Client Assets Under Management

As of Dec. 29th, 2017, we have approximately \$30,700,000 under management. All the accounts we manage are discretionary.

Item 5. Fees and Compensation

This section provides information about how we are compensated, billing and payment procedures, and gives examples of other expenses you may pay in connection with our advisory services.

A. How We Are Compensated for Our Advisory Services

For accounts under our management, fees are calculated as a percentage of the total value of the account. Fee percentages are stated as an annual rate and the fees are paid quarterly. The value of the assets in the account is determined by the custodian. It is the client’s responsibility to verify the accuracy of the fee calculations. Also, the clients should carefully review and compare the account statements from HCM Investors with the statements from C. Schwab for consistency and accuracy.

The fee for the quarter is calculated by multiplying the market value of the assets in the account at the end of the last business day of the calendar quarter by one-fourth of the applicable fee. For example, if the annual fee is 1% of the value of the assets, the quarterly fee will be 0.25% of the value of the assets in the account as of the last day of the quarter.

All fees are based on the current fee schedules, but are negotiable under certain circumstances. Fees may vary between clients due to a number of factors including account size, portfolio complexity, and investment objectives. Any variations are specified in the *Investment Management Contract*.

Representative Annual Fee Schedule
Asset Values

\$0 - \$500,000	1.25%
\$500,000 - \$1,500,000	1.00%
\$1,500,000 -	0.75%

Advisory fees for accounts with asset values above \$5 Million are negotiable. No commissions are charged, we sell no products and we receive no referral fees from any other entity.

B. How We Collect Our Fees

Our clients usually have fees for our services deducted directly from their account on a quarterly basis at the end of the quarter. We also accept direct payments from clients if

they prefer. The preferred method of payment is determined at the time the *Management Contract* is signed. In either case a bill for the quarter is sent to our clients. If clients chose to authorize Charles Schwab to directly debit fee's from the clients account, upon written authorization to do so, the client will receive from C. Schwab a notice of deduction and a custodial statement. The client will also receive a bill from HCM Investors, Inc. indicating the amount of the fee and how the amount was derived.

C. Other Fees or Expenses Clients May Pay

- Clients will pay for brokerage and other transaction costs associated with trading for their accounts. (Please refer to Item 12 for more information on brokerage.)
- The custodian of the client's account may charge a custodial fee.
- The SEC may charge a fee.
- If the account includes mutual funds or exchange traded funds, the mutual fund or ETF company will charge fees for its services. We charge management fees for mutual funds and ETF in addition to any fees charged by the mutual fund or ETF company (as described in their prospectuses).
- The custodian may charge a fee to purchase or sell the mutual fund or ETF.
- Clients may pay a commission, prime broker or trade away fee to the broker on certain stock and bond trades in addition to the normal markup or markdown.
- Clients may pay trustees fees to the custodian if they are providing trustee service.

D. Prepaid Advisory Fees and Fee Payments if an Account is Terminated During the Billing Period.

We do not ask our clients to prepay advisory fees.

If the Investment Management Contract originates or is terminated on a date other than the first or last day of a quarter, respectively, the fee will be prorated accordingly. In other words, clients are only charged for the time their account is under our management.

If significant changes to an account under management occur at a time other than the last day of a quarter, a prorated management fee is charged based on the total asset values as of the date of the change.

E. Compensation We Receive for the Sale of Securities or Other Investment Products

We do not receive any compensation for the sale of any investments.

Item 6. Performance Based Fees and Side-by-Side Management

We do not charge performance based fees or charge an hourly fee for accounts under our management.

Item 7. **Types of Clients**

Our clients have included individuals, families, trusts, and institutions. The usual minimum account for investment advisory clients is \$200,000, although exceptions can be made.

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

This section describes our basic investment strategy, the analysis process we use, and the risks involved.

A. Methods of Analysis and Investment Strategies We Use and Risk of Loss

Fundamental Analysis

For the equity portion of our clients' portfolios we use a long term, large capitalization growth stock strategy with an emphasis on total return and capital preservation. We begin by examining industry and market trends, and economic indicators in order to identify potential areas for growth. We then look for specific companies that could benefit from that growth. When selecting stocks, we look for large well-known companies that are dominant in their markets, have good earnings growth prospects, strong management, and that are financially sound. We often seek domestic companies that have exposure to international markets. Each of the securities recommendations is made in accordance with our understanding of your total financial picture and we diversify the stocks held in your portfolio to reduce risk. After assessing our client's investment goals and risk tolerance, we attempt to identify an appropriate mix of equity securities, mutual funds/ETF, fixed income, and cash.

If bonds are included in your portfolio, they may be government or corporate, and may include a combination of taxable and tax-exempt bonds, depending on your tax circumstances. We invest in high quality domestic bonds, usually with intermediate terms (normally ten years or less) or at times longer term callable bonds. We use a laddered bond approach so that bonds will mature at different times, and plan to hold them to maturity. There have been occasions when we sell bonds prior to maturity such as a client request or a market anomaly.

For diversification purposes we may invest a portion of your portfolio in international, sector, small/mid capitalization or value mutual funds or exchange traded funds. We may not have the in-house capabilities to follow all the appropriate investment sectors but may want to diversify your portfolio further by using mutual funds or ETFs. We are aware these investment vehicles contain additional fees for the client and we will make our best effort to keep those fees to a minimum.

Regardless of the overall asset mix in your portfolio, there will be times when a portion of your funds are invested in cash or cash equivalent securities, but these investments are normally held for a short term. For example, we may hold a larger cash position due to a client's future distribution needs or because of a lack of securities that fit our valuation parameters. As time goes on, we monitor the assets in our clients' portfolios regularly to determine if they continue to meet our criteria and fit your financial objectives.

As with any investment strategy, you should understand that there is the potential for investment losses. For example, economic downturns, geopolitical events, and a variety of financial catastrophes can trigger general market declines that may impact multiple asset classes.

B. Risks Involved with Our Investment Strategy

There are times when we might not invest in certain sectors or asset classes such as real estate, emerging markets, or certain commodities. This could result in periods of underperformance for our client's portfolios. Our focus on capital preservation also carries a risk of underperformance. For example, during a time of rapidly accelerating economic activity, smaller capitalization stocks and a more aggressive investment approach may provide greater price gains. Upon agreement with a client to manage their portfolio, the client will transfer to the custodian a portfolio usually composed of stocks, bonds, mutual funds, ETF's or cash. There will be a risk that during this transition period the new account could underperform before the new account has been fully invested in the appropriate stocks, bonds, mutual funds, ETF's and cash the portfolio manager, Katherine Spines, recommends for that account. Another form of risk is that we could be provided with inaccurate or biased data. For example, the rating agencies that review securities may be providing us with compromised, inaccurate or misleading information.

C. Risks Involved with the Particular Types of Securities We Recommend

The following risks are involved with the types of securities we usually recommend:

- Buying individual stocks or bonds exposes you to the risk of adverse fundamental events unique to the individual company or bond issuer.
- Recommending a specific asset allocation favoring stocks, bonds, or cash carries a risk of underperformance because one asset class may outperform others over a given time period.
- Smaller portfolios are exposed to greater risk because we have less ability to diversify the assets within each class.
- The high-quality bonds we buy for our clients typically do not pay as high a rate of interest as lower quality, riskier bonds.
- Owning individual bonds to maturity can entail greater reinvestment risk.
- Owning international, sector, small/mid cap. or value mutual funds or exchange traded funds by themselves holds higher risk due to their self subscribed lack of diversification. In addition, the mutual fund or ETF may hold riskier assets in those funds.

Item 9. Disciplinary Information

This section describes if there are legal or disciplinary events involving our firm that are material to your evaluation of our advisory business or the integrity of our management.

A. Criminal or Civil Actions

None

B. Administrative Proceeding Before the SEC or Other Regulatory Agency

None

C. A Self-Regulatory Proceeding

None

Item 10. Other Financial Industry Activities and Affiliations

This section describes other areas in the financial industry in which we are involved, and affiliations we have with other parties who are involved in the following activities.

A. Registration as a Broker-Dealer or Representative of a Broker-Dealer

None

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Advisor, or an Associated Person of Any of These Entities

None

C. Relationships or Arrangements with Related Persons in the Following

1. Currently our most active *Broker-dealer, municipal securities dealer, or government securities dealer or broker* relationship is with our largest custodian, Charles Schwab. At the present time all of our clients have accounts at Schwab. (For a detailed discussion of our relationship with Schwab, please see Item 12 A. 1. Below)
2. We have no relationships with any *Investment company or other pooled investment vehicle (including any mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund” or offshore fund)*
3. We have a relationship with another *investment advisor, Peak Asset Management*. Katherine Spines is currently receiving a payout for a client base that transferred to Peak Asset Management.
4. We have no relationship with any *Futures commission merchant, commodity pool operator, or commodity trading advisor*.

5. ***Banking or thrift institutions-***
 - Colorado State Bank and Trust is the custodian and/or Trustees for Trusts for which in the past, we provided asset management services. We may recommend Colorado State Bank & Trust to clients who need trust services.
6. ***Accountants or accounting firms and Lawyers or law firms*** - We have working relationships with multiple accounting firms. We also have working relationships with law firms and individual lawyers. When appropriate, we have recommended clients to these firms, and they have referred clients to us. We have no formalized arrangements and do not share any fees as a result of these recommendations.
7. We have no relationships with any of the following: ***Insurance company or agency, Pension consultant, Real Estate broker or dealer, or Sponsor or syndicator of limited partnerships.***

D. **Other Investment Advisors that We Recommend and From Whom We Receive Compensation**

None

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

This section summarizes our Code of Ethics and procedures we use to monitor personal trading by persons who are associated with our firm.

A. **Our Code of Ethics – A Brief Description**

HCM Investors, Inc. has adopted a Code of Ethics that establishes rules of conduct for persons who are officers, directors, employees, contractors, shareholders, and their immediate family members, including any relative by blood or marriage living in the same household, and affiliates of our firm (*Covered Persons*). For the purpose of assuring that our clients' interests come first, the Code restricts personal investment activities and specifies trading procedures to avoid conflicts of interest or any abuse of an employee's position of trust. *Covered Persons* must also abide by the short-term trading restrictions specified in our Code of Ethics. The Code also sets forth standards of business conduct, confidentiality provisions, record keeping requirements, and administrative and enforcement procedures. We may use the services of independent contractor who is also bound by the terms of our Code of Ethics. The independent contractor is married to a principal of the firm. Our Code of Ethics is available to any client, or prospective client, upon request.

B. **Securities We Recommend to Clients in Which We or a Related Person Has a Material Financial Interest**

None

C. Personal Trading in the Same Securities that We Recommend to Clients

A *Covered Person* may buy or sell a security which is also owned or recommended to clients. This practice could represent a conflict of interest. This conflict of interest is mitigated by providing written disclosure of the transaction and that the requirements stated in our Code of Ethics are met. (See Item 11 A. above) We do not allow transactions in personal accounts for seven days prior to, or seven days subsequent to, a purchase or sale of that security for clients. Exceptions to this requirement can be granted if there are extenuating circumstances, or if the trade is a block trade. *Covered Persons* may participate in investment opportunities along with clients provided that the client's interests come first.

D. Personal Trading in the Same Securities at the Same Time as We Trade for Clients

Covered Persons of our firm may participate in a block trade with clients when their participation will not materially affect the price of the security to the client. This practice could represent a conflict of interest but this is mitigated because all of our investments are in mid to large capitalization companies and it would not be likely that a *Covered Person's* trading would normally materially affect the stock price.

Item 12. Brokerage Practices

This section addresses how we choose brokers for client transactions and the benefits our firm receives as a result of choosing particular brokers.

A. Factors That We Consider when Selecting or Recommending Broker-Dealers for Client Transactions

The majority of our clients' trades are done through Schwab. Schwab provides a wide range of services including on-line trading, research, website access to account information, and local offices. We believe that Schwab offers a good value to our clients overall. We use other broker-dealers for some fixed income products and in the past for non-Schwab accounts. Factors we think important for our selection are competitive commission rates, quality of research, and geographical expertise in the markets we use. We also want the broker dealers we use to have a strong reputation, be financially sound, and be responsive to our clients' needs.

1. Research and Other Soft Dollar Benefits.

HCM Investors, Inc. may select broker-dealers on the basis of research information or other material or services furnished by them for our benefit. For example, we receive individual company research reports, sector and industry reports, economic reports, and stock market reports. Charles Schwab and Co. provides additional services that are detailed below. This information may help to reduce our cost of providing

investment advisory services, but the dollar value of the information received is difficult to determine and is not likely to reduce the costs of our customary research activities.

We often recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab). They are a FINRA registered broker-dealer and a SIPC member. Schwab then maintains custody of clients' assets and executes trades for their accounts. Although we recommend that clients establish accounts at Schwab we do not require this and it is the client's decision to custody assets with Schwab. HCM Investors, Inc. is independently owned and operated and not affiliated with Schwab.

Schwab provides us with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge. These services are not contingent upon our firm committing to Schwab any specific amount of business: either assets in custody or trading commissions. Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our clients whose accounts are at Schwab, there generally is not a separate charge for custody services. Schwab is compensated for the custody services they provide through commissions or other fees paid by our clients for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to us other products and services that benefit our firm but may not directly benefit our clients. These products and services are useful to us as we provide service to all of our clients' accounts.

Products and services provided to us by Schwab that help us to manage and administer your accounts include software and other technology that:

- (i) provides us with access to client account data (such as trade confirmations and account statements);
- (ii) facilitates trade executions and allow us to allocate aggregated trade orders for multiple client accounts;
- (iii) provides research, pricing and other market data;
- (iv) facilitates payment of our fees from clients' accounts; and
- (v) assists us with back-office functions, record keeping and client reporting.

Schwab Institutional also offers other services intended to help our firm manage and further develop our business enterprise. These services include:

- (i) compliance, legal and business consulting;

- (ii) publications and conferences on practice management and business succession; and
- (iii) access to employee benefits providers, human capital consultants and insurance providers.

Schwab may use third –party vendors for these types of services. They may discount or waive fees that would otherwise be charged for some of these services, or pay all or a part of the fees of a third-party providing these services to us. Schwab may also provide other benefits such as educational events or occasional business entertainment for our personnel.

In evaluating whether to recommend that clients custody their assets at Schwab, we do take into account the availability of these products and services as part of the total mix of factors we consider. You should understand that our recommendation to our clients to open brokerage accounts at Schwab is not solely based on the nature, cost or quality of custody and brokerage services provided by Schwab, and this could create a potential conflict of interest. More specifically,

- a. When we use client brokerage commissions (or other costs) to obtain research or other products or services, we receive a benefit because we do not have to produce or pay for the research, products or services.
- b. Receiving these benefits provides an incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products or services rather than on our clients’ interest in receiving the most favorable execution.
- c. In its selection of broker-dealers to execute portfolio transactions, we are not obligated to seek the lowest possible commission cost, but may select broker-dealers who charge a commission in excess of that which another firm might have charged. We do, however, determine in good faith that the amount of commission is reasonable in relation to the value of brokerage and research services provided by the executing broker dealer. Our evaluation can be in terms of either the specific transaction or our overall responsibility to all of the portfolios and accounts which we manage.
- d. At the present time, the benefits we are receiving are advantageous to our clients’ accounts because all our clients have an account with Schwab. As such, we do not seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.
- e. The types of products and services we acquired with client brokerage commissions (or other costs) within the last fiscal year include:
 - individual company research reports, sector and industry reports, economic reports, and stock market reports.
 - products and services that assist us in managing and administering clients’ accounts such as software and other technology that (i) provides access to client account data (such as trade confirmations and account statements); (ii) facilitates trade execution and allocation of

aggregated trade orders for multiple client accounts; (iii) provides research, pricing and other market data; (iv) facilitates payment of fees from our clients' accounts; and (v) assists with back-office functions, record keeping and client reporting.

- other services intended to help us manage and further develop our business, including: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; (iii) access to employee benefits providers, human capital consultants and insurance providers and (iv) educational events such as webcasts.

f. During the last fiscal year client transactions were directed to broker-dealers using the following guidelines: Trades for accounts at Schwab were usually executed by Schwab. When purchasing municipal, and occasionally corporate bonds for clients, we have traded with RBC because of their quality proprietary research and greater expertise in certain geographical and asset markets.

2. **Brokerage for Client Referrals**

None

3. **Directed Brokerage**

- a. Clients do not have the ability to direct us to use a specific broker-dealer to execute transactions for their accounts with the exception of institutional accounts or trust accounts that are held at trust banks. In these circumstances, it may cause higher brokerage commissions to be paid.

B. **Aggregating the Purchase or Sale of Securities for Client Accounts**

We aggregate purchases or sales of securities, a *block trade*, for client accounts when we have more than one client that is buying or selling a particular security. There are times when we do not include a client in a block trade. The risk to the client whose trade is executed separately is a difference in price because the trades are not done at the same time and the price may change. There are times when you could be exposed to a difference in the timing of a trade, and therefore price, due to client specific circumstances, timing near the close of the market and our commitment to customize your portfolio.

Item 13. Review of Accounts

This section describes how often we review client accounts, events that can trigger additional reviews, and who will be conducting the reviews.

A. **Periodic Reviews**

Our portfolio manager, Katherine Spines, conducts reviews of client accounts at least quarterly to assess whether the investments continue to be appropriate given the individual goals for the account. Our preference is to review client objectives by meeting with you in person or a phone meeting, usually once or twice a year.

B. Reviews at Other Times

Accounts may be reviewed any time you experience changes in your financial objectives. These changes may arise from a reassessment of financial goals or from life transitions such as retirement, divorce, inheritance, or death of a spouse. Also, changing economic or stock market conditions can trigger reviews of all client accounts at any time.

C. Reports to Clients

A quarterly portfolio statement is sent to our clients. We have several clients who live at one address and prefer to have their entire portfolio statements sent together in one mailing, we will accommodate this house holding of statements. Our portfolio statements show assets held in your account and the values of those assets as of the last day of the prior quarter. Quarterly billing statements are also included as discussed in Item 5. At the beginning of the year a letter with required and general information is sent to all clients. Further information may be included that is tailored to the specific needs of each individual client.

Item 14. Client Referrals and Other Compensation

This section addresses arrangements we have with other professionals regarding client referrals.

A. Economic Benefits Derived from Non-clients for Providing Investment Advice.

None

B. Client Referral Arrangements

HCM Investors, Inc. has working relationships with several accounting firms and banks. When appropriate, we have recommended clients to these firms, and they have referred clients to us. We do not share in any way fees or other economic benefits as a result of these recommendations. (Please see Item 10. C for more detailed information.)

Item 15. Custody

Our clients receive statements directly from their custodians, usually monthly. They also receive confirmations from their custodians within a few days of any buying or selling activity. We urge our clients to review these statements, and to verify that the information contained in the custodian's statements is consistent with account information provided by our firm.

Item 16. **Investment Discretion**

All the accounts we manage are discretionary. Our authority to manage client accounts on this basis is formalized through a *Management Contract* and a *Limited Power of Attorney*, both of which are signed by our clients before we begin to manage their portfolios. For Charles Schwab clients, new account forms will need to be signed. However, some clients place restrictions on portions of their portfolios for a variety of reasons. For example, a few of our clients request that we not own a particular stock for socially conscientious reasons or may want to own a stock that we are not recommending. If a client insists on buying a security that we are not recommending, we may require the client to sign a document stating that the purchase was not our recommendation. We do our best to accommodate client restrictions, but advise clients that such limitations will affect account performance.

Item 17. **Voting Client Securities**

HCM Investors does not vote proxies .

Item 18. **Financial Information**

In this section we discuss any financial conditions that are reasonably likely to impair our ability to meet the contractual obligations we have to our clients.

A. Financial Information required if more than \$1,200 in client fees is required in advance

Not Applicable

B. Financial Information Required because we have discretionary authority

Our financial condition is stable, our firm is profitable, and we do not have any reason to believe that we will be unable to fulfill any contractual commitments we have to our clients.

C. Bankruptcy Petitions

None

Item 19. **Requirements for State Registered Advisors**

This section will discuss any additional requirements for State Registered Advisors.

A. HCM's principal executive officer and management
Refer to Part2B of form ADV: Brochure Supplement

B. Other Businesses in addition to investment Advisory

None

C. Performance – based fees

See Item 6

D. Disciplinary Information including any involvement in following events; an investment or an investment-related business or activity; fraud, false statement(s), or omissions; theft, embezzlement, or other wrongful taking of property; bribery, forgery, counterfeiting, or extortion; or dishonest, unfair, or unethical practices.

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500.

None

2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding.

None

E. Additional relationships or arrangements with any issuer of securities that is not listed in Item 10.C. of Part 2A.

None

Part 2B of Form ADV: Brochure Supplement

Item 1.

Cover Page

Katherine Spines

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November, 2014

This brochure supplement provides information about Katherine Spines that supplements the HCM Investors Inc. brochure. You should have received a copy of that brochure. Please contact, Katherine Spines, at HCM Investors, Inc. if you did not receive HCM Investors Inc. brochure or if you have any questions about the contents of this supplement. Additional information about Katherine Spines is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Educational Background and Business Experience

KATHERINE SPINES

3-18-1955

PRESIDENT AND OWNER, PORTFOLIO MANAGER AND ANALYST

Katherine's investment career began in 1981 when she became a health care and consumer stock analyst with Founders Mutual Funds Corporation in Denver, Colorado. Four years later she moved to Cambiar Investors, Inc., a Denver-based investment management firm, as a portfolio manager and analyst. Katherine joined Hamil Capital Management as Executive Vice President and portfolio manager in 1993. She founded HCM Investors, Inc. in April of 1996. Katherine earned an undergraduate degree in Business Administration from the University of Colorado and an MBA in Finance from George Washington University in Washington, D.C.

Katherine served on the Board of Directors of the Colorado Health Facilities Authority from February 1996 to September 2007.

Item 3. Disciplinary Information

None

Item 4. Other Business Activities

None

Item 5. Additional Compensation

A payout for previously stated partial client buy out as discussed in Form ADV Part 2A- Item 10. C.3.

Item 6. Supervision

As President, Ms. Spines has no supervisor.

Item 7. Requirements for State Registered Advisors

Ms. Spines has not been involved in Arbitration, Civil proceedings or subject to Bankruptcy.