

FORM ADV

Uniform Application for Investment Adviser Registration

Part II - Page 1

OMB APPROVAL	
OMB Number:	3235-0049
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Name of Investment Adviser: Dempsey Investment Management, LLC				
Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code: Telephone Number:
23 Bingham Lane	Williston	VT	05495	(802) 764-5815

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any governmental authority.**

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

**Potential persons who are to respond to the collection of information contained in this form
are not required to respond unless the form displays a currently valid OMB control number.**

Applicant: Dempsey Investment Management, LLC	SEC File Number: 801-	Date: February 6, 2009
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1. **A. Advisory Services and Fees.** (check the applicable boxes) For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

Applicant:

<input checked="" type="checkbox"/> (1) Provides investment supervisory services	<u>75%</u>
<input type="checkbox"/> (2) Manages investment advisory accounts not involving investment supervisory services	<u> %</u>
<input checked="" type="checkbox"/> (3) Furnishes investment advice through consultations not included in either service described above	<u>25%</u>
<input type="checkbox"/> (4) Issues periodicals about securities by subscription	<u> %</u>
<input type="checkbox"/> (5) Issues special reports about securities not included in any service described above	<u> %</u>
<input type="checkbox"/> (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities	<u> %</u>
<input type="checkbox"/> (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities	<u> %</u>
<input type="checkbox"/> (8) Provides a timing service	<u> %</u>
<input type="checkbox"/> (9) Furnishes advice about securities in any manner not described above	<u> %</u>

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

B. Does applicant call any of the services it checked above financial planning or some similar term? Yes No

C. Applicant offers investment advisory services for: (check all that apply)

<input checked="" type="checkbox"/> (1) A percentage of assets under management	<input type="checkbox"/> (4) Subscription fees
<input checked="" type="checkbox"/> (2) Hourly charges	<input type="checkbox"/> (5) Commissions
<input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees)	<input type="checkbox"/> (6) Other

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. **Types of clients** - Applicant generally provides investment advice to: (check those that apply)

<input checked="" type="checkbox"/> A. Individuals	<input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations
<input type="checkbox"/> B. Banks or thrift institutions	<input type="checkbox"/> F. Corporations or business entities other than those listed above
<input type="checkbox"/> C. Investment companies	<input type="checkbox"/> G. Other (describe on Schedule F)
<input type="checkbox"/> D. Pension and profit sharing plans	

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3. Types of Investments. Applicant offers advice on the following: (check those that apply)

- | | |
|---|--|
| <p><input checked="" type="checkbox"/> A. Equity securities</p> <p><input checked="" type="checkbox"/> (1) exchange-listed securities</p> <p><input checked="" type="checkbox"/> (2) securities traded over-the-counter</p> <p><input checked="" type="checkbox"/> (3) foreign issues</p> <p><input type="checkbox"/> B. Warrants</p> <p><input checked="" type="checkbox"/> C. Corporate debt securities (other than commercial paper)</p> <p><input checked="" type="checkbox"/> D. Commercial paper</p> <p><input checked="" type="checkbox"/> E. Certificates of deposit</p> <p><input checked="" type="checkbox"/> F. Municipal securities</p> <p>G. Investment company securities:</p> <p><input checked="" type="checkbox"/> (1) variable life insurance</p> <p><input checked="" type="checkbox"/> (2) variable annuities</p> <p><input checked="" type="checkbox"/> (3) mutual fund shares</p> | <p><input checked="" type="checkbox"/> H. United States government securities</p> <p>I. Options contracts on:</p> <p><input checked="" type="checkbox"/> (1) securities</p> <p><input type="checkbox"/> (2) commodities</p> <p>J. Futures contracts on:</p> <p><input type="checkbox"/> (1) tangibles</p> <p><input type="checkbox"/> (2) intangibles</p> <p>K. Interests in partnerships investing in:</p> <p><input type="checkbox"/> (1) real estate</p> <p><input type="checkbox"/> (2) oil and gas interests</p> <p><input type="checkbox"/> (3) other (explain on Schedule F)</p> <p><input type="checkbox"/> L. Other (explain on Schedule F)</p> |
|---|--|

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant's security analysis methods include: (check those that apply)

- | | |
|---|--|
| (1) <input type="checkbox"/> Charting | (4) <input type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input type="checkbox"/> Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines | (5) <input type="checkbox"/> Timing services |
| (2) <input type="checkbox"/> Inspections of corporate activities | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases |
| (4) <input checked="" type="checkbox"/> Corporate rating services | (8) <input type="checkbox"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|---|--|
| (1) <input checked="" type="checkbox"/> Long term purchases (securities held at least a year) | (5) <input type="checkbox"/> Margin transactions |
| (2) <input type="checkbox"/> Short term purchases (securities sold within a year) | (6) <input checked="" type="checkbox"/> Option writing, including covered options, uncovered options or spreading strategies |
| (3) <input type="checkbox"/> Trading (securities sold within 30 days) | (7) <input type="checkbox"/> Other (explain on Schedule F) |
| (4) <input type="checkbox"/> Short sales | |

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5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? Yes No
 (If yes, describe these standards on Schedule F.)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- | | |
|-----------------|--|
| • name | • formal education after high school |
| • year of birth | • business background for the preceding five years |

7. Other Business Activities. (check those that apply)

- A. Applicant is actively engaged in a business other than giving investment advice.
- B. Applicant sells products or services other than investment advice to clients.
- C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- | | |
|--|--|
| <input type="checkbox"/> (1) broker-dealer | <input type="checkbox"/> (7) accounting firm |
| <input type="checkbox"/> (2) investment company | <input type="checkbox"/> (8) law firm |
| <input type="checkbox"/> (3) other investment adviser | <input type="checkbox"/> (9) insurance company or agency |
| <input type="checkbox"/> (4) financial planning firm | <input type="checkbox"/> (10) pension consultant |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer |
| <input type="checkbox"/> (6) banking or thrift institution | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?..... Yes No

(If yes, describe on Schedule F the partnerships and what they invest in.)

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9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- A. As principal, buys securities for itself from or sells securities it owns to any client.
- B. As broker or agent effects securities transactions for compensation for any client.
- C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account? Yes No

(If yes, describe on Schedule F.)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

Donald Dempsey, Jr., President and owner of Dempsey Investment Management, LLC, is the only reviewer. For each portfolio, Mr. Dempsey reviews the goals and objectives, as well as the overall performance or the portfolio at least annually with each client.

In light of the findings of such a review, Mr. Dempsey reviews the holdings in each managed portfolio. This part of the review focuses on asset allocation, sector weightings, performance, gains and losses, ratings and the general economic environment. Once the review is complete, Mr. Dempsey will make appropriate changes to the portfolio as necessary.

More frequent reviews may be necessary due to changes in a client's individual circumstances, or significant changes in economic, political or market conditions. The portfolio of recommended securities is generally reviewed, in aggregate, on a daily basis. Any perceived need for change based on any of these reviews is then considered for each client portfolio on an individual basis.

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

Account custodians are responsible for providing monthly or quarterly account statements which reflect the positions (and current pricing) in each account as well as transactions in each account, including fees paid from an account. Account custodians also provide prompt confirmation of all trading activity, and year-end tax statements, such as 1099 forms.

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12. Investment or Brokerage Discretion.

- A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:
- | | | |
|--|--|---|
| (1) securities to be bought or sold? | Yes
<input checked="" type="checkbox"/> | No
<input type="checkbox"/> |
| (2) amount of the securities to be bought or sold? | Yes
<input checked="" type="checkbox"/> | No
<input type="checkbox"/> |
| (3) broker or dealer to be used? | Yes
<input type="checkbox"/> | No
<input checked="" type="checkbox"/> |
| (4) commission rates paid? | Yes
<input type="checkbox"/> | No
<input checked="" type="checkbox"/> |

- B. Does applicant or a related person suggest brokers to clients? Yes No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? Yes No
- B. directly or indirectly compensates any person for client referrals? Yes No

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
 - requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- Has applicant provided a Schedule G balance sheet? Yes No

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant: Dempsey Investment Management, LLC	SEC File Number: 801-	Date: February 6, 2009
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Dempsey Investment Management, LLC	IRS Empl. Ident. No.: 11-3745974
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Item of Form (identify)	Answer
1.D.	<p>SERVICES</p> <p>The principal service of Dempsey Investment Management, LLC (“Dempsey”) is providing fee-based investment advisory services and financial planning services. Dempsey practices custom management of portfolios, most often on a non-discretionary basis. Under this scenario, clients are contacted prior to the execution of any trade in the account(s) under management, and the client retains the responsibility for the final decision on all actions taken with respect to the portfolio. From time to time, when requested by a client and when appropriate, Dempsey may offer discretionary management services. Under such an arrangement, Dempsey will have the authority to supervise and direct the portfolio without prior consultation with the client.</p> <p>The primary approach is to use a tactical allocation strategy aimed at reducing risk and increasing performance. Dempsey uses exchange listed securities, over-the-counter securities, exchange traded funds (ETF’s), foreign securities, corporate debt securities, commercial paper, CDs, municipal securities, mutual funds, United States government securities, and options (on securities) to accomplish this objective. Dempsey measures and selects mutual funds by using various criteria, such as the fund manager’s tenure, and/or overall career performance. Dempsey may recommend, on occasion, redistributing investment allocations to diversify the portfolio in an effort to reduce risk and increase performance, and may recommend specific stocks to increase sector weighting and/or dividend potential. From time to time, depending on market conditions, Dempsey may recommend employing cash positions as a possible hedge against market movement that adversely affects the portfolio. Dempsey may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position(s) in the portfolio, change in risk tolerance of client, or any risk deemed unacceptable for the client’s risk tolerance.</p> <p>In some situations, Dempsey may select another investment adviser firm(s) to serve as a sub-adviser to a client’s account. This approach is normally used when a client’s individual circumstances indicate that the portfolio would be better served by investing primarily in individual common stocks on a discretionary basis. Dempsey is responsible for the recommendation and ongoing evaluation of the sub-adviser(s).</p> <p>FEES</p> <p>Dempsey Investment Management, LLC is compensated for its investment advisory services by charging fees based on a percentage of the assets under management and/or by charging fees on an hourly basis.</p> <p><i>Management Fee:</i> Pursuant to an investment advisory contract signed by each client, Dempsey charges a quarterly Management Fee, payable in advance, based on the value of the assets under management on the last day of the previous quarter. Management fees are</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant: Dempsey Investment Management, LLC	SEC File Number: 801-	Date: February 6, 2009
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Dempsey Investment Management, LLC	IRS Empl. Ident. No.: 11-3745974
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Item of Form (identify)	Answer																
1.D. Continued	<p>charged according to the following annual fee schedule:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">First \$250,000</td> <td style="text-align: right;">1.00%</td> </tr> <tr> <td>\$250,001 - \$500,000</td> <td style="text-align: right;">0.90%</td> </tr> <tr> <td>\$500,001 - \$1,000,000</td> <td style="text-align: right;">0.80%</td> </tr> <tr> <td>\$1,000,001 - \$3,000,000</td> <td style="text-align: right;">0.70%</td> </tr> <tr> <td>Balance over \$3,000,000</td> <td style="text-align: right;">0.60%</td> </tr> </table> <p>At Dempsey's sole discretion, fees may occasionally be negotiated. Therefore, in certain unusual circumstances some clients could be subject to a different fee schedule. Dempsey requires a minimum portfolio value of \$150,000, though Dempsey may, at its discretion, negotiate minimum annual fees and/or minimum portfolio size requirements. Fees will be prorated accordingly for clients who initiate or terminate an advisory relationship as of any date other than the first day of a quarter.</p> <p><i>Management Fee, using sub-adviser:</i> For those clients best served by including the use of sub-advisers, management fees are charged according to the following annual fee schedule:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">\$200,000 - \$2,000,000</td> <td style="text-align: right;">1.00%</td> </tr> <tr> <td>\$2,000,001 - \$5,000,000</td> <td style="text-align: right;">0.90%</td> </tr> <tr> <td>Balance above \$5,000,000</td> <td style="text-align: right;">0.80%</td> </tr> </table> <p>The chart demonstrates the total management fee to be paid by client. Dempsey and the sub-adviser will determine the division of the total fee collected. The minimum annual fee for this service is \$3,000. At Dempsey's sole discretion, fees may occasionally be negotiated. Therefore, in certain unusual circumstances some clients could be subject to a different fee schedule. Dempsey requires a minimum portfolio value of \$200,000, though Dempsey may, at its discretion, negotiate minimum annual fees and/or minimum portfolio size requirements. Fees will be prorated accordingly for clients who initiate or terminate an advisory relationship as of any date other than the first day of a quarter.</p> <p><i>Hourly and Fixed Fees:</i> Some clients will contract to have investment advisory advice provided based on an hourly fee arrangement rather than a percentage of assets under management. These clients are billed at the rate of \$100 per hour, and are typically charged in arrears, though a retainer may be required under certain circumstances. Additionally, from time to time Dempsey may provide limited consultations and other services for a fixed annual fee.</p> <p>All fees paid to Dempsey Investment Management, LLC for investment advisory services are separate and distinct from the expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without the services of Dempsey. In that case, the client would not receive the services provided by Dempsey which are designed, among</p>	First \$250,000	1.00%	\$250,001 - \$500,000	0.90%	\$500,001 - \$1,000,000	0.80%	\$1,000,001 - \$3,000,000	0.70%	Balance over \$3,000,000	0.60%	\$200,000 - \$2,000,000	1.00%	\$2,000,001 - \$5,000,000	0.90%	Balance above \$5,000,000	0.80%
First \$250,000	1.00%																
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Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
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Continuation Sheet for Form ADV Part II**

Applicant: Dempsey Investment Management, LLC	SEC File Number: 801-	Date: February 6, 2009
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Dempsey Investment Management, LLC	IRS Empl. Ident. No.: 11-3745974
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Item of Form (identify)	Answer
1.D. Continued	<p>other things, to assist the client in determining which investments are most appropriate to each client's financial condition and objectives. The client should review all fees charged by mutual funds, Dempsey and others to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.</p> <p>Dempsey Investment Management, LLC will provide investment advisory services and portfolio management services and will not provide securities execution, custodial and other administrative services.</p> <p>Clients may terminate the advisory contract with Dempsey, in whole or in part, by giving thirty days advance written notice. Upon termination, any fees paid in advance will be prorated to the date of termination and any excess will be refunded to client.</p>
5.	<p>EDUCATION AND BUSINESS STANDARDS</p> <p>Dempsey requires that persons providing investment advice be properly registered as an Investment Advisor Representative pursuant to the rules and regulations of the appropriate regulatory entity. In addition, Dempsey values professional designations, such as the CFP and CFA, and persons providing advice must have at least three years of business experience.</p>
6.	<p>EDUCATION AND BUSINESS BACKGROUND</p> <p>Donald F. Dempsey, Jr. (Born: 1967) Education: Bachelor of Arts degree (1989) from the University of Vermont-Burlington; College for Financial Planning – Chartered Mutual Fund Counselor (1998); Certified Financial Planner Education Program (2003) Certified Financial Planner from the Board of Standards June 8th 2005.</p> <p>Employment: Account Executive for the Burlington Free Press, Burlington, VT from October 1990- July 1994; Investment Specialist for Dean Witter Reynolds, Inc., Burlington, VT from July 1994 – December 1995; Investment Consultant for Charles Schwab & Co., Inc., Burlington, VT from February 1996 – November 2004; and Owner/Investment Advisor for Dempsey Investment Management, LLC, Williston, VT from March 2005 to present.</p>
9.	<p>PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS</p> <p>Code of Ethics Dempsey has adopted a Code of Ethics, the full text of which is available to you upon request.</p> <p>Dempsey has several goals in adopting this Code. First, Dempsey desires to comply with all applicable laws and regulations governing its practice. We believe that compliance with such regulations is a signal to our clients that we exist to serve them, not ourselves, and</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Dempsey Investment Management, LLC	IRS Empl. Ident. No.: 11-3745974
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Item of Form (identify)	Answer
9. Continued	<p>that we support the efforts of those organizations dedicated to upholding the law.</p> <p>Next, the management of Dempsey has determined to set forth guidelines for professional standards, under which all associated persons are to conduct themselves. The Company has set high standards, the intention of which is protect client interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith and fair dealing with clients. All associated persons are expected to strictly adhere to these guidelines, as well as the procedures for approval and reporting established in the Code. Dempsey has instituted, as a deterrent, a policy of disciplinary actions to be taken with respect to any associated person who violates the Code.</p> <p>Finally, Dempsey has adopted specific policies and procedures designed to assist in the implementation of the guidelines outlined in the Code. Our procedures include specific steps taken with regard to the treatment of aggregated or bundled trading activities. This also includes policies and procedures relating to the required approval and reporting of the personal securities transactions of our personnel; required holdings reports for personnel; insider trading education and prohibitions; and client privacy protection. Such policies and procedures will serve to assist in reviewing the effectiveness of the implementation of the Code on an ongoing basis.</p>
10.	<p>CONDITIONS FOR MANAGING ACCOUNTS</p> <p>Dempsey Investment Management, LLC's cumulative minimum account size is \$150,000. For portfolios utilizing the services of sub-advisers, the minimum portfolio size is \$200,000, with a minimum annual fee of \$3,000.</p>
12.	<p>INVESTMENT OR BROKERAGE DISCRETION</p>
A.	<p>(1) and (2) Depending on the choice made by each client, with respect to those accounts that Dempsey manages on a continuous basis, Dempsey will normally have the authority to determine which securities are to be bought and sold, the amount of the securities to be bought and sold, and the timing of such transactions.</p> <p>(3) and (4) All clients will have the opportunity to select the custodian and/or broker-dealer of their choice; however, clients in need of custodial services will generally have Charles Schwab & Co., Inc ("Schwab") recommended to them. Depending on the choice made by the client, Dempsey may or may not have the opportunity to negotiate commissions paid by the client, and Dempsey's ability to obtain best execution may be impaired. (Please see 12 B below.) Under normal circumstances, Dempsey will select the broker/dealer for all trades made on behalf of discretionary clients.</p> <p>Dempsey may from time to time aggregate orders in a block trade or trades when securities are purchased or sold through the same broker-dealer for multiple accounts. If a block trade cannot be executed in full at the same price or time, the securities actually purchased</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
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Continuation Sheet for Form ADV Part II**

Applicant: Dempsey Investment Management, LLC	SEC File Number: 801-	Date: February 6, 2009
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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Dempsey Investment Management, LLC	IRS Empl. Ident. No.: 11-3745974
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Item of Form (identify)	Answer
12 Continued	<p>or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular client accounts. For example, a partial fill will generally be filled pro-rata among participating accounts. Prior to entry of a block trade, a written pre-allocation will be generated which identifies the group of client accounts participating in the order.</p> <p>If necessary, changes in allocation prior to final allocation may be made, provided that all client accounts receive fair and equitable treatment. Written documentation of the reason for any material change in the allocation is maintained.</p>
B.	<p><u>Suggested brokers</u></p> <p>Dempsey currently utilizes the institutional program services of Schwab, TD Ameritrade Services, Inc. ("TD Ameritrade"), and Scottrade, Inc. (collectively "the custodians"), each a FINRA-registered broker-dealer. Each provides a service program to independent investment advisers. Clients in need of custodial services will generally have Schwab recommended to them. As part of Schwab's program, Dempsey receives some benefits. (Please see the disclosure under Item 13A of this Schedule F narrative.)</p> <p>When given the discretion to do so, Dempsey will endeavor to select those brokers or dealers which will provide the best services at the lowest commission rates possible. The reasonableness of commission is based on the broker's ability to provide professional services, competitive commission rates, research and other services which will help Dempsey in providing investment advisory services to clients. Dempsey may therefore recommend (or use) the use of a broker/dealer who provides useful research and securities transaction services even though a lower commission may be charged by a different broker/dealer, who offers no research services and minimal securities transaction assistance. Research services may be useful in servicing all of Dempsey's clients, and not all of such research may be useful for the account for which the particular transaction was effected.</p>
13.A.	<p><u>Directed Brokerage</u></p> <p>In the event that a client directs Dempsey Investment Management, LLC to use a particular broker or dealer, it should be understood that under those circumstances Dempsey will not have the authority to negotiate commissions, obtain volume discounts and best execution may not be achieved. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to other clients.</p> <p>ADDITIONAL COMPENSATION</p> <p>Dempsey participates in various institutional service programs, as disclosed in Item 12.B. of this Schedule F. While there is no direct link between the investment advice given and participation in these programs, economic benefits are received. These benefits generally</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant: Dempsey Investment Management, LLC	SEC File Number: 801-	Date: February 6, 2009
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Dempsey Investment Management, LLC		IRS Empl. Ident. No.: 11-3745974
Item of Form (identify)	Answer	
13.A. Continued	include: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk serving participants exclusively; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; ability to have investment advisory fees deducted directly from client accounts; access to an electronic communication network for client order entry and account information; receipt of compliance publications; and access to mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors. The benefits received though participation in the programs do not necessarily depend upon the proportion of transactions directed to each of the custodians.	

Complete amended pages in full, circle amended items and file with execution page (page 1).