

# C.L. Sheldon & Company, LLC

CRD # 152582

## **ADV Part 2A, Firm Brochure**

**Dated: March 23, 2017**

Contact: Curtis Sheldon, Chief Compliance Officer  
1800 Diagonal Road, Suite 600  
Alexandria, Virginia 22314  
Email: Curt@CLSheldon.com  
Website: CLSheldon.com

**This Brochure provides information about the qualifications and business practices of C.L. Sheldon & Company, LLC (“C.L. Sheldon”). If you have any questions about the contents of this Brochure, please contact us at (703) 542-4000 or Curt@CLSheldon.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 C.L. Sheldon & Company, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**References herein to C.L. Sheldon & Company, LLC as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.**

## Item 2 Material Changes

Since the previous Annual Amendment filing on March 9, 2016, this ADV Part 2A, Firm Brochure has been materially amended at Items 4 and 5 to reflect the firm’s new advisory service offerings and the related fees.

**C.L. Sheldon’s Chief Compliance Officer, Curtis Sheldon, remains available to address any questions that a client or prospective client may have regarding the changes described above or any other aspect of this Brochure.**

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

- A. C.L. Sheldon is a limited liability company formed in September 2009 in the Commonwealth of Virginia. C.L. Sheldon became registered as an Investment Adviser Firm in January 2011. C.L. Sheldon is owned by Curtis Sheldon, C.L. Sheldon's Managing Member.
- B. As discussed below, C.L. Sheldon offers to its clients (generally, individuals, high net worth individuals, pension and profit sharing plans, etc.) investment advisory services, and, financial planning and related consulting services, and retirement plan consulting services.

#### **INVESTMENT ADVISORY SERVICES**

The client can engage C.L. Sheldon to provide non-discretionary investment advisory services on a *fee only* basis. C.L. Sheldon's annual investment advisory fee is generally a flat fee based upon complexity of the client's financial situation. C.L. Sheldon's annual investment advisory fee shall include investment advisory services and bundled financial planning and consulting services.

C.L. Sheldon's investment advisory services are divided into two tiers: Financial Planning and Wealth Management. Financial Planning is designed to meet the needs of those clients who require asset management, along with standard tax and estate planning assistance. Wealth Management includes all of the features of Financial Planning, but is designed for clients with more complex estate and tax planning needs. Depending on the scope and complexity of the engagement, C.L. Sheldon will help the client determine which service tier is appropriate. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of C.L. Sheldon), C.L. Sheldon may determine to charge for such additional services pursuant to a stand-alone *Financial Planning and Consulting Agreement* (see below).

Before engaging C.L. Sheldon to provide investment advisory services, clients are required to enter into either a *Wealth Management Agreement* or *Financial Planning Agreement* with C.L. Sheldon setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client.

To commence the investment advisory process, an investment adviser representative will first ascertain each client's investment objectives and then recommend that the client allocate investment assets consistent with the designated investment objectives. Once allocated, C.L. Sheldon provides ongoing monitoring and review of account performance and asset allocation as compared to client investment objectives, and may recommend that clients rebalance accounts as necessary based on such reviews.

#### **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

To the extent specifically requested by a client, C.L. Sheldon *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. The terms and conditions of the engagement (including termination) shall be set forth in a *Financial Planning and Consulting Agreement* between C.L. Sheldon and the client. If requested by the client, C.L. Sheldon may recommend the

services of other professionals for implementation purposes. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from C.L. Sheldon. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify C.L. Sheldon if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising C.L. Sheldon's previous recommendations and/or services.

#### **RETIREMENT PLAN CONSULTING SERVICES**

C.L. Sheldon also provides retirement plan consulting services, pursuant to which it assists sponsors of self-directed retirement plans with the selection and/or monitoring of investment alternatives from which plan participants shall choose in self-directing the investments for their individual plan retirement accounts. In addition, to the extent requested by the plan sponsor, C.L. Sheldon shall also provide participant education designed to assist participants in identifying the appropriate investment strategy for their retirement plan accounts. The terms and conditions of the engagement (including termination) shall be set forth in a *Retirement Plan Consulting Agreement* between C.L. Sheldon and the plan sponsor.

#### **TAX PREPARATION SERVICES**

To the extent requested by the client, C.L.Sheldon *may* determine to provide tax preparation services on a stand-alone, separate fee basis.

#### **SELF-DIRECTED GOAL PLANNING SERVICES**

C.L. Sheldon provides financial goal planning services on a stand-alone, separate fee basis. The terms and conditions of the engagement shall be set forth in a *Self-Directed Goal Planning Agreement* between C.L. Sheldon and the client. Pursuant to this service, C.L. Sheldon shall provide clients with access to the MoneyGuidePro Portal, which shall be used by the client to develop a basic financial plan. To the extent requested by the client, C.L. Sheldon will review and analyze the plan, and also provide related ongoing support and recommendations to the client for a predetermined period of time.

#### **MISCELLANEOUS**

**Limitations of Financial Planning and Non-Investment Consulting/Implementation Services.** To the extent requested by a client, C.L. Sheldon may provide financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. C.L. Sheldon does not serve as a law firm, accounting firm, or insurance agency, and no portion of Registrant's services should be construed as legal, accounting, or insurance implementation services. Accordingly, Registrant does not prepare estate planning documents or sell insurance products. To the extent requested by a client, C.L. Sheldon may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance agents, etc.). Clients are reminded that they are under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation made by C.L. Sheldon or its representatives. **Please Note:** If the client engages any unaffiliated recommended professional, and a dispute arises

thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

**Retirement Rollovers-Potential for Conflict of Interest:** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If C.L. Sheldon recommends that a client roll over their retirement plan assets into an account to be managed by C.L. Sheldon, such a recommendation creates a conflict of interest if C.L. Sheldon will earn an advisory fee on the rolled over assets. **No client is under any obligation to roll over retirement plan assets to an account managed by C.L. Sheldon. C.L. Sheldon's Chief Compliance Officer, Curtis Sheldon, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.**

**Non-Discretionary Service Limitations.** Clients that determine to engage C.L. Sheldon on a non-discretionary investment advisory basis must be willing to accept that C.L. Sheldon cannot effect any account transactions without obtaining prior consent to such transaction(s) from the client. Thus, in the event that C.L. Sheldon would like to make a transaction for a client's account (including in the event of an individual holding or general market correction), and the client is unavailable, C.L. Sheldon will be unable to effect the account transaction(s) (as it would for its discretionary clients) without first obtaining the client's consent.

**Use of Mutual Funds and Exchange Traded Funds:** While C.L. Sheldon may recommend allocating investment assets to mutual funds and exchange traded funds ("ETFs") that are not available directly to the public, C.L. Sheldon may also recommend that clients allocate investment assets to publically-available mutual funds and ETFs that the client could obtain without engaging C.L. Sheldon as an investment adviser. However, if a client or prospective client determines to allocate investment assets to publically-available mutual funds and ETFs without engaging C.L. Sheldon as an investment adviser, the client or prospective client would not receive the benefit of C.L. Sheldon's initial and ongoing investment advisory services.

**Trade Error Policy.** C.L. Sheldon shall reimburse accounts for losses resulting from C.L. Sheldon's trade errors, but shall not credit accounts for such errors resulting in market gains. The gains and losses are reconciled within C.L. Sheldon's custodian firm account and C.L. Sheldon retains the net gains and losses.

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

**Disclosure Statement.** A copy of C.L. Sheldon's written disclosure statement as set forth on Part 2 of Form ADV shall be provided to each client prior to, or contemporaneously

with, the execution of the *Investment Advisory Agreement, Financial Planning and Consulting Agreement*, or the *Retirement Plan Consulting Agreement*.

- C. C.L. Sheldon shall provide investment advisory services specific to needs of each client. Prior to providing investment advisory services, an investment adviser representative will discuss with each client, their particular investment objective(s). C.L. Sheldon shall allocate each client's investment assets consistent with their designated investment objective(s). Clients may, at any time, impose restrictions, in writing, on C.L. Sheldon's services.
- D. C.L. Sheldon does not participate in a wrap fee program.
- E. As of March 16, 2017, C.L. Sheldon had \$14,778,438 in assets under management on a non-discretionary basis.

## **Item 5 Fees and Compensation**

- A. The client can determine to engage C.L. Sheldon to provide non-discretionary investment advisory services on a *fee-only* basis.

### **INVESTMENT ADVISORY SERVICES**

The client can determine to engage C.L. Sheldon to provide non-discretionary investment advisory services on a negotiable *fee-only* basis, which will also include bundled financial planning and consulting services. C.L. Sheldon's negotiable annual investment advisory fee is generally a flat fee based upon complexity of the engagement and the client's financial situation.

C.L. Sheldon generally imposes a minimum annual fee of \$4,000 for its Financial Plan service tier. The Wealth Management tier imposes a minimum annual fee of \$7,000. **However the portion of the fee attributable to investment management services shall not, under any circumstances, exceed 2% of the value of assets under C.L. Sheldon's management.**

In the event that the client requires extraordinary financial planning and/or consultation services (to be determined in the sole discretion of C.L. Sheldon), C.L. Sheldon may determine to charge for such additional services pursuant to a stand-alone *Financial Planning and Consulting Agreement* (see below).

### **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

To the extent specifically requested by a client, C.L. Sheldon *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. C.L. Sheldon's planning and consulting fees are negotiable, but are approximately \$200.00 on an hourly basis. Clients are generally required to remit the lesser of one-half (1/2) of the estimated fee or \$500 at the time the *Financial Planning and Consulting Services Agreement* is executed.

### **RETIREMENT PLAN CONSULTING SERVICES**

The terms and conditions of the retirement plan consulting engagement are set forth in a *Retirement Plan Consulting Agreement* between C.L. Sheldon and the plan sponsor. C.L. Sheldon charges a negotiable annual fee for retirement plan consulting services which generally ranges between 0.50% to 1.00% of plan assets depending on the size of the plan, the scope of the services requested, and the complexity of the engagement.

#### **TAX PREPARATION SERVICES**

To the extent requested by the client, C.L. Sheldon *may* determine to provide tax preparation services on a stand-alone separate flat-fee basis ranging between \$100 and \$450 depending upon the complexity of the engagement. C.L. Sheldon and the client will agree upon the specific fee before C.L. Sheldon commences tax preparation services.

#### **SELF-DIRECTED GOAL PLANNING SERVICES**

C.L. Sheldon provides self-directed financial goal planning services on a stand-alone, separate fee basis for \$700.

- B. In certain limited cases upon specific request, clients may elect to have C.L. Sheldon's advisory fees deducted from their custodial account. Both C.L. Sheldon's *Investment Advisory Agreement* and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of C.L. Sheldon's investment advisory fee and to directly remit that management fee to C.L. Sheldon in compliance with regulatory procedures. When C.L. Sheldon bills the client directly, payment is due upon receipt of C.L. Sheldon's invoice. C.L. Sheldon shall deduct fees and/or bill clients quarterly in arrears. In the case of retirement plan consulting services, fees will be based upon the market value of the assets on the last business day of the previous quarter.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, C.L. Sheldon shall generally recommend that *Shareholder Services Group* serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Shareholder Services Group* charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed-income securities transactions). In addition to C.L. Sheldon's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).
- D. C.L. Sheldon's annual investment advisory fee shall be prorated and paid quarterly, in arrears. The *Investment Advisory Agreement* between C.L. Sheldon and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, C.L. Sheldon shall charge the client (or in limited cases, charge the account) for the pro-rated portion of the unpaid advanced advisory fee based upon the number of days that services were provided during the billing quarter.
- E. Neither C.L. Sheldon, nor its representatives accept compensation from the sale of securities or other investment products.

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

Neither C.L. Sheldon nor any supervised person of C.L. Sheldon accepts performance-based fees.

## **Item 7 Types of Clients**

C.L. Sheldon's clients generally include individuals, pension and profit sharing plans, and high net worth individuals. C.L. Sheldon generally requires a minimum annual fee of \$4,000 for investment advisory services. However, the portion of the investment advisory fee attributable to investment management shall not, under any circumstances, exceed 2% of the value of assets under C.L. Sheldon's management. C.L. Sheldon, in its sole discretion, may waive or reduce this minimum annual fee requirement based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

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

A. C.L. Sheldon shall utilize the following methods of security analysis:

- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)

C.L. Sheldon shall utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)

**Please Note: Investment Risk.** Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by C.L. Sheldon) will be profitable or equal any specific performance level(s).

B. C.L. Sheldon's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis C.L. Sheldon must have access to current/new market information. C.L. Sheldon has no control over the dissemination rate of market information; therefore, unbeknownst to C.L. Sheldon, certain analyses may be compiled with outdated market information, severely limiting the value of C.L. Sheldon's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

C.L. Sheldon's primary investment strategies - Long Term Purchases and Short Term Purchases - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies



require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

- C. Currently, C.L. Sheldon primarily allocates client investment assets among various mutual funds fixed-income securities, and/or ETFs on a non-discretionary basis in accordance with the client's designated investment objective(s).

## **Item 9            Disciplinary Information**

C.L. Sheldon does not have any reportable disciplinary information.

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

- A. Neither C.L. Sheldon, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither C.L. Sheldon, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. C.L. Sheldon has no other relationship or arrangement with a related person that is material to its advisory business.
- D. C.L. Sheldon does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

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

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

- B. Neither C.L. Sheldon nor any related person of C.L. Sheldon recommends, buys, or sells for client accounts, securities in which C.L. Sheldon or any related person of C.L. Sheldon has a material financial interest.

- C. C.L. Sheldon and/or representatives of C.L. Sheldon *may* buy or sell securities that are also recommended to clients. This practice may create a situation where C.L. Sheldon and/or its representatives are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as “scalping” (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if C.L. Sheldon did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed prior to those of C.L. Sheldon’s clients) and other potentially abusive practices. Given the above, no representative of C.L. Sheldon may effect for himself or herself or for his or her immediate family (i.e., spouse, minor children, and adults living in the same household as the officer, director, or employee, and trusts for which the employee serves as a trustee or in which the employee has a beneficial interest) (collectively “Covered Persons”) any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of C.L. Sheldon’s clients, unless in accordance with the following procedures:

If C.L. Sheldon is purchasing or considering for purchase any exchange listed security on behalf of C.L. Sheldon’s clients, no Covered Person may transact in that security prior to the client purchase having been completed by C.L. Sheldon, or until a decision has been made not to purchase the security on behalf of the client; and

If C.L. Sheldon is selling or considering the sale of any exchange listed security on behalf of C.L. Sheldon’s clients, no Covered Person may transact in that security prior to the sale on behalf of the client having been completed by C.L. Sheldon or until a decision has been made not to sell the security on behalf of the client.

### ***Exceptions***

This investment policy has been established recognizing that some securities being considered for purchase and sale on behalf of C.L. Sheldon’s clients trade in sufficiently broad markets to permit transactions to be completed without any appreciable impact on the markets of the securities, and, therefore, under certain circumstances, exceptions may be made to the policies stated above per the authorization of the Chief Compliance Officer, who has been designated by C.L. Sheldon to address any prospective exceptions; and

Open-end mutual funds and/or the investment subdivisions which may comprise a variable insurance product are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. As such, transactions in open-end mutual funds and/or variable insurance products by Covered Persons are not likely to have an impact on the prices of the fund shares in which clients invest, and are therefore not prohibited by C.L. Sheldon’s Investment policy.

- D. C.L. Sheldon and/or representatives of C.L. Sheldon *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where C.L. Sheldon and/or representatives of C.L. Sheldon are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11 C, C.L. Sheldon has an investment policy in places of each of C.L. Sheldon’s Covered Persons.

## Item 12 Brokerage Practices

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

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

### 1. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, C.L. Sheldon may receive from *Shareholder Services Group* (or another broker-dealer/custodian, investment platform, unaffiliated investment manager, mutual fund sponsor, or vendor) without cost (and/or at a discount) support services and/or products, certain of which assist C.L. Sheldon to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by C.L. Sheldon may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by C.L. Sheldon in furtherance of its investment advisory business operations.

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

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

**C.L. Sheldon's Chief Compliance Officer, Curtis Sheldon, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.**

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

**Please Note:** In the event that the client directs C.L. Sheldon to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through C.L. Sheldon. Higher transaction costs adversely impact account performance. **Please Also Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

**C.L. Sheldon's Chief Compliance Officer, Curtis Sheldon, remains available to address any questions that a client or prospective client may have regarding the above arrangement.**

- B. To the extent that C.L. Sheldon provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless C.L. Sheldon decides to purchase or sell the same securities for several clients at approximately the same time. C.L. Sheldon may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among C.L. Sheldon's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. C.L. Sheldon shall not receive any additional compensation or remuneration as a result of such aggregation.

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

- A. For those clients to whom C.L. Sheldon provides investment supervisory services, account reviews are conducted on an ongoing basis by Mr. Sheldon. All investment advisory clients are advised that it remains their responsibility to advise C.L. Sheldon of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with C.L. Sheldon on an annual basis.
- B. C.L. Sheldon *may* conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. C.L. Sheldon may also provide a written periodic report summarizing account activity and performance.

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

- A. As referenced in Item 12.A.1., C.L. Sheldon may receive indirect economic benefits from *Shareholder Services Group* including support services and/or products without cost (and/or at a discount).

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

**C.L. Sheldon's Chief Compliance Officer, Curtis Sheldon, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.**

- B. C.L. Sheldon does not compensate, directly or indirectly, any person other than its representatives for client referrals.

### **Item 15      Custody**

In certain limited circumstances upon client request, C.L. Sheldon may have the ability to have its advisory fee for each client debited by the custodian. Those clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. C.L. Sheldon may also provide a written periodic report summarizing account activity and performance.

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

**Item 16 Investment Discretion**

C.L. Sheldon does not provide investment advisory services on a discretionary basis.

**Item 17 Voting Client Securities**

- A. C.L. Sheldon does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact C.L. Sheldon to discuss any questions they may have with a particular solicitation.

**Item 18 Financial Information**

- A. C.L. Sheldon does not solicit fees of more than \$500, per client, six months or more in advance.
- B. C.L. Sheldon does not provide discretionary authority over client accounts, and therefore does not have any financial condition that may impair its ability to meet contractual commitments relating to discretionary authority over client accounts.
- C. C.L. Sheldon has not been the subject of a bankruptcy petition at any time during the last ten (10) years.

**Item 19 Requirements for State Registered Investment Advisers**

- A. Curtis Sheldon is the sole-owner of C.L. Sheldon & Company, LLC. Please refer to the ADV Part 2B, Brochure Supplement for more information about Mr. Sheldon.
- B. C.L. Sheldon is not actively engaged in any other business except as described above.
- C. Neither C.L. Sheldon nor its representatives accept performance based fees.
- D. C.L. Sheldon does not have any reportable arbitration claims, nor does it have any reportable civil, self-regulatory organization or administrative proceeding awards.

- E. Neither C.L. Sheldon, nor its representatives, have any relationship or arrangement with any issuer of securities.

**ANY QUESTIONS: C.L. Sheldon's Chief Compliance Officer, Curtis Sheldon, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**

**Item 1 Cover Page**

A.

**Curtis Lee Sheldon**

**C. L. Sheldon & Company, LLC**

**ADV Part 2B, Brochure Supplement  
Dated: March 23, 2017**

Contact: Curtis Sheldon, Chief Compliance Officer  
1800 Diagonal Road, Suite 600  
Alexandria, Virginia 22314  
Email: Curt@CLSheldon.com  
Website: CLSheldon.com

B.

**This Brochure Supplement provides information about Curtis Lee Sheldon that supplements the C.L. Sheldon & Company, LLC Brochure. You should have received a copy of that Brochure. Please contact Curtis Sheldon, Chief Compliance Officer, at 703-542-4000 or Curt@CLSheldon.com if you did *not* receive C.L. Sheldon & Company's Brochure or if you have any questions about the contents of this Brochure Supplement.**

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

**Item 2 Education Background and Business Experience**

Curtis Sheldon was born in 1961. Mr. Sheldon received a Masters in Business Administration (MBA) in Individual Financial Planning from City University of Seattle in 1996. He additionally holds a Masters Degree in Strategic Studies from Air University, which he received in 2005. He received his Bachelors of Science in Management and Finance from the United States Air Force Academy in 1983.



Mr. Sheldon has been the Managing Member of C.L. Sheldon and Company since September 2009 and an investment adviser representative of C.L. Sheldon and Company since November of 2010. Mr. Sheldon has been an independent consultant and small business owner since June of 2010. Prior to that, Mr. Sheldon was in the United States Air Force from June 1983 until June 2010.

Mr. Sheldon has been a CERTIFIED FINANCIAL PLANNER™ since February 2014. The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 76,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must currently satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 6 hours, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning

services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

### **Item 3 Disciplinary Information**

None.

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

- A. Mr. Sheldon is not actively engaged in any other investment-related business or occupation.
- B. Mr. Sheldon is not actively engaged in any non-investment-related business or occupation for compensation.

### **Item 5 Additional Compensation**

Mr. Sheldon does not receive compensation from any person other than his clients for providing advisory services.

### **Item 6 Supervision**

Mr. Sheldon is the sole member of C.L. Sheldon. As Managing Member and Chief Compliance Officer, Mr. Sheldon oversees his own business operations and trading practices consistent with applicable regulatory requirements. His contact number is (703) 542-4000.

### **Item 7 Requirements for State-Registered Advisers**

- A. Mr. Sheldon has never been involved in an arbitration proceeding or a civil, self-regulatory, or administrative proceeding.
- B. Mr. Sheldon has not been subject of any bankruptcy petition.