

## Uniform Application for Investment Adviser Registration

## OMB APPROVAL

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Name of Investment Adviser: DC NELSON ASSET MANAGEMENT, L.L.C.				
Address: (Number and Street) 90 POST ROAD WEST	(City) WESTPORT	(State) CT	(Zip Code) 06880	Area Code: Telephone number: 212-931-5185

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 DC NELSON ASSET MANAGEMENT, L.L.C.	SEC File Number 801- 57879	Date 3/31/2010
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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 instructions below.)

Applicant:

<input checked="" type="checkbox"/>	(1)	Provides investment supervisory services . . . . .	<b>100 %</b>
<input type="checkbox"/>	(2)	Manages investment advisory accounts not involving investment supervisory services . . . . .	%
<input type="checkbox"/>	(3)	Furnishes investment advice through consultations not included in either service described above . . . . .	%
<input type="checkbox"/>	(4)	Issues periodicals about securities by subscription . . . . .	%
<input type="checkbox"/>	(5)	Issues special reports about securities not included in any service described above . . . . .	%
<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 . . . . .	%
<input type="checkbox"/>	(7)	On more than an occasional basis, furnishes advice to clients on matters not involving securities . . . . .	%
<input type="checkbox"/>	(8)	Provides a timing service . . . . .	%
<input type="checkbox"/>	(9)	Furnishes advice about securities in any manner not described above . . . . .	%

(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 **X** 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 type="checkbox"/>	(2)	Hourly charges	<input type="checkbox"/>	(5)	Commissions
<input type="checkbox"/>	(3)	Fixed Fees (not including subscription fees)	<input checked="" 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 checked="" type="checkbox"/>	F.	Corporations or business entities other than those listed above
<input checked="" type="checkbox"/>	C.	Investment companies	<input checked="" type="checkbox"/>	G.	Other (describe on Schedule F)
<input checked="" type="checkbox"/>	D.	Pension and profit sharing plans			

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

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

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

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

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

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

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

**FORM ADV**  
**Part II - Page 4**

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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 advisor 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 in 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.)

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

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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.

Investment advisory client accounts are reviewed by David C. Nelson, CEO of DC Nelson Asset Management, L.L.C. ("DCNAM") on a monthly basis. Security positions are generally determined by means of a proprietary trading model. Individually managed account security allocations are compared to the model portfolio and screened for substantial deviations. Accounts that are labeled Non-Core are managed on an individual basis and may not represent an exact model but are managed to meet clients individual objectives. Don Kisselbach, Executive VP and Tim Davidson, Executive VP maintain and provide investment advice for relationships they brought into DCNAM. Purchases and sales are also executed per client requests. All Discretionary trades are approved in advance by David Nelson the Chief Compliance Officer.

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

Individually managed account holders receive trade confirmations and monthly brokerage statements. Partners in DC Nelson Partners, L.P. are provided with monthly letters and annual audits (see Schedule F, below).

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

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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:
- |  |                                     |                          |
|--|-------------------------------------|--------------------------|
|  | Yes                                 | No                       |
| (1) securities to be bought or sold? .....               | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (2) amount of the securities to be bought or sold? ..... | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (3) broker or dealer to be used? .....                   | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (4) commission rates paid? .....                         | <input checked="" type="checkbox"/> | <input 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 product 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 <input checked="" type="checkbox"/> | No <input type="checkbox"/>            |
| B. directly or indirectly compensates any person for client referrals? .....  | Yes <input type="checkbox"/>            | No <input checked="" type="checkbox"/> |

(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); 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: DC Nelson Asset  
Management, L.L.C.

SEC File Number:

801-57879

Date:

3/31/10

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

1. Full name of Adviser exactly as stated in Item 1A of Part I of Form ADV: DC Nelson Asset Management, L.L.C.	IRS Empl. Ident. No.: 13-4130326
Item of Form (identify)	Answer
<p><b>1 (D)</b> <b>Advisory Services and Fees</b></p>	<p><b>Services:</b> DC Nelson Asset Management, L.L.C. ("DCNAM") provides investment advice and management services to individually managed accounts and administrative services to a related investment partnership (see item 8(D) below). DCNAM may in the future serve as general partner, management company or investment manager to other related investment partnerships. DCNAM's Current and future, if any, related investment partnerships will be privately offered.</p> <p><b>Fees:</b> Managed Accounts - Compensation to be paid to DCNAM is negotiated and will vary, but consists of a percentage of assets under management, which percentage will vary depending on the type of assets managed. Compensation generally will consist of 0.5% to 1.5% of assets per annum charged quarterly in arrears. Related Investment Partnership - DC Nelson Partners, L.P. (the "Partnership") - Management fee paid to DCNAM of 1% per annum, payable quarterly in advance. Incentive allocation reallocated to a related person, DC Nelson, L.L.C., of 20% of profits charged annually in arrears subject to a high water mark. DC Nelson, L.L.C. may waive or reduce the management fee and/or incentive allocation for certain limited partners.</p> <p><b>Termination:</b> Advisory agreements may generally be terminated at any time by either party upon giving 5 days written notice which is subject to waiver by DCNAM. All prepaid but unearned advisory fees (if any) will be refunded to the client on a pro rata basis. Limited partners in the Partnership are permitted to withdraw all or any portion of their capital as of the last day of any fiscal quarter occurring on or after the first anniversary of the limited partner's initial investment in the Partnership upon giving 30 days prior written notice. If a partner's capital balance immediately following a partial withdrawal falls below the minimum capital contribution, the general partner may, at its discretion, require full withdrawal of the limited partner. DC Nelson, L.L.C. may waive or modify any terms related to the withdrawal from the Partnership.</p> <p><b>Financial Planning:</b> If requested, DCNAM may provide new or existing clients with a broad range of comprehensive financial planning services (including investments, tax planning, estate and trust planning, philanthropy, insurance, etc). DCNAM will charge an hourly fee for these services. DCNAM has the discretion to reduce the annual minimum. DCNAM's financial planning fees range between \$50 and \$100 subject to modification in DCNAM's sole discretion, on an hourly rate basis, depending upon the level and scope of the services required. In performing its services, DCNAM shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. If requested by the client, DCNAM 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 DCNAM. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify DCNAM if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising DCNAM's previous recommendations and/or services.</p>
<p><b>5</b> <b>Education and Business Standards</b></p>	<p>Generally, DCNAM requires some college and two years of applicable business experience in the financial services industry for any persons involved in determining or giving investment advice to clients.</p>

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

## Continuation Sheet for Form ADV Part II

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

**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: DC Nelson Asset  
Management, L.L.C.

SEC File Number:

Date:

801-57879

3/31/10

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

1. Full name of Adviser exactly as stated in Item 1A of Part I of Form ADV: DC Nelson Asset Management, L.L.C.	IRS Empl. Ident. No.: 13-4130326
Item of Form (identify)	Answer
<b>10</b> <b>Conditions for</b> <b>Managing Accounts</b>  <b>13 (A)</b> <b>Additional</b> <b>Compensation</b>	<p>they trade on the same day as clients in the same securities as clients and receive a better price. DCNAM employees are required to report their personal securities transactions, their securities holdings and significant business activities.</p> <p>To maintain objectivity DCNAM employees are required to report to the Compliance Officer gifts or benefits within two days of the offering or receiving of the gift or benefit. The Compliance Officer may allow the employee to retain such gift or benefit, or may require that such gift or benefit be handed over to DCNAM.</p> <p>Clients and prospective clients may obtain a copy of the Code of Ethics by contacting David C. Nelson, the Compliance Officer, at (212) 931-5185.</p> <p>There is no explicit minimum dollar value required to establish a managed account with DCNAM.</p> <p>In general, and subject to the discretion of the general partner of DC Nelson Partners, L.P., a minimum investment of \$250,000 will be required. Generally, such investors will be required to be "accredited investors" as defined in Regulation D promulgated under the Securities Act of 1933, as amended, and "qualified clients" as defined in rule 205-3 of the Investment Advisors Act of 1940, as amended.</p> <p>For its managed accounts, in some instances, DCNAM may receive research or other products or services that may be used for both research and non-research purposes. In such instances, DCNAM will make a good faith effort to determine the relative proportion of the research used to assist DCNAM in carrying out its investment decision-making responsibilities and the relative proportion attributable to administrative or other non-research purposes. DCNAM will pay for the proportion attributable to administrative or other non-research purposes from its own resources; and the other proportion will be paid through brokerage commissions generated by client transactions.</p>

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