

Shelton Financial Group, Inc.

7617 West Jefferson Blvd, Fort Wayne, IN 46804

Phone: (260) 436-7006

Fax: (260) 436-5452

www.sheltonfinancial.com

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**FORM ADV PART 2
BROCHURE**

This brochure provides information about the qualifications and business practices of Shelton Financial Group, Inc. If you have any questions about the contents of this brochure, please contact us at (260) 436-7006 or jasonwhite@sheltonfinancial.net. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Shelton Financial Group, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Shelton Financial Group, Inc. is 123318 .

Shelton Financial Group, Inc. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

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Advisory Business

Form ADV Part 2A, Item 4

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

A. Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).

Notes: (1) For purposes of this item, your principal owners include the persons you list as owning 25% or more of your firm on Schedule A of Part 1A of Form ADV (Ownership Codes C, D or E). (2) If you are a publicly held company without a 25% shareholder, simply disclose that you are publicly held. (3) If an individual or company owns 25% or more of your firm through subsidiaries, you must identify the individual or parent company and intermediate subsidiaries. If you are an SEC-registered adviser, you must identify intermediate subsidiaries that are publicly held, but not other intermediate subsidiaries. If you are a state-registered adviser, you must identify all intermediate subsidiaries.

Shelton Financial Group, Inc. (SFG) is an independent, locally owned, community based financial planning firm. Our firm's goal is simply to improve the lives of our clients by delivering genuinely personal financial advice and services. Our services include pre-retirement plans, asset management, post retirement income planning, and wealth management. Jeff Shelton, the sole owner of SFG, became a registered investment adviser in 1995, and then incorporating SFG in 1996.

B. Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.

SFG offers a retirement analysis that we refer to as a fee plan. Items which may be covered in the fee plan are assets and liabilities, cash flow, current income, cash reserves, certain insurance coverages, retirement planning, child education expense planning, business holdings, committed and discretionary expenses, and the client's investment attitudes, goals, and risk tolerance. SFG will provide a written review of your retirement analysis along with recommendations to implement the plan. SFG also offers asset management. Clients are charged an annual fee based upon a percentage of their household assets that we are managing. The asset management service includes an SFG adviser representative's time and help in selecting the appropriate model(s) for the client's account(s). SFG asset management manages client accounts to a model rather than each client account individually. Management is ongoing and continuous.

C. Explain whether (and, if so, how) you tailor your advisory services to the individual needs of clients. Explain whether clients may impose restrictions on investing in certain securities or types of securities.

Our fee plans are tailored to the individual circumstance of each client. The analysis results depend upon the information the client provides to us in the planning process. SFG asset management manages client accounts to a model rather than to the individual needs of the client. The client may not impose restrictions on investing in certain securities if those securities are held in a model that the client chooses. The clients restrictions or preferences are considered in the model selection process.

D. If you participate in wrap fee programs by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.

SFG does not participate in wrap fee programs.

E. If you manage client assets, disclose the amount of client assets you manage on a discretionary basis and the amount of client assets you manage on a non-discretionary basis. Disclose the date "as of" which you calculated the amounts.

Note: Your method for computing the amount of "client assets you manage" can be different from the method for computing "assets under management" required for Item 5.F in Part 1A. However, if you choose to use a

different method to compute "client assets you manage," you must keep documentation describing the method you use. The amount you disclose may be rounded to the nearest \$100,000. Your "as of" date must not be more than 90 days before the date you last updated your brochure in response to this [Item 4.E](#).

SFG asset management manages all client assets on a discretionary basis. SFG requires the client to provide us with discretionary authority to determine the funds to be bought or sold in the client's account. SFG does not accept discretionary authority to choose the broker, dealer, or commissions to be paid for these accounts. All trades will be effected through the designated custodian/broker as selected by the client. SFG will not try to place trades with other brokers which may offer lower transaction rates or better executions. In this situation, there may be a disparity in commission charges among different clients based on the broker chosen by the client. SFG asset management, as of 12/31/2010, manages \$167,800,000 on a discretionary basis. As of 12/31/2010, SFG manages \$0 on a non-discretionary basis.

Fees and Compensation

Form ADV Part 2A, Item 5

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

A. Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.

Note: If you are an SEC-registered adviser, you do not need to include this information in a brochure that is delivered only to qualified purchasers as defined in section 2(a)(51)(A) of the Investment Company Act of 1940.

The fees for financial planning/advisory services are negotiable. They depend on the type and complexity of the plan provided. Fees for this service may be based on assets invested, a flat fee, or an hourly fee up to \$150 per hour, depending on the staff person performing the service.

SFG's fees for financial planning/advisory services are based on the following schedule according to what staff person performs the service. Senior Planner = \$150/hour; Associate Planner = \$100/hour; Administrative Support = \$75/hour; Clerical Support = \$50/hour. All fees are subject to a maximum initial payment of \$500.

Financial planning fees are \$250 per module for individual modules, for example, college funding, life insurance, etc. Such fees will be billed at the end of service and are due upon receipt. SFG will charge a fee ranging from \$600 to \$10,000+ for a customized retirement analysis. SFG may waive or reduce fees for plans based on individual client circumstances, at the representative's discretion. Certain clients may be given reduced or waived planning fees depending on their situation and role in the community.

Asset management fees are based on a percentage of the client's household assets under management. The fees are paid quarterly, in advance, and are based on the total household assets under management as of the last day of the prior quarter. The annual amount of the fee is based on the following schedule: \$0-99,999=3%; \$100,000-249,999=2%; \$250,000-499,999=1.5%; \$500,000-999,999=1.25%; 1,000,000-1,999,999=1%; \$2,000,000-2,999,999=0.9%; \$3,000,000-4,999,999=0.8%; \$5,000,000-9,999,999=0.7%; \$10,000,000 and over=0.6%. Asset management fees are negotiable. SFG may give discounts on fees to certain groups of people and employees of SFG.

B. Describe whether you deduct fees from clients' assets or bill clients for fees incurred. If clients may select either method, disclose this fact. Explain how often you bill clients or deduct your fees.

The fees for financial planning services will be billed directly to the client for payment. Invoices will be sent upon completion of the service being provided. Payment is due upon receipt of the invoice.

Fee plan invoices are sent in two phases. The initial installment of \$250 is due after the initial meeting with the SFG representative. SFG will invoice the client directly, with payment expected upon receipt. The final invoice will be sent to the client after the plan is presented. SFG will invoice the client directly for the remaining unpaid amount, with payment expected upon receipt.

Asset management fees will be assessed to the account under management unless otherwise directed by the client. Clients may elect to be billed directly for the fee. They may also elect to have the fee deducted from another account under SFG asset management. Routine quarterly fees will be assessed in the first month of each calendar quarter. Quarterly fees are figured based on the client's household fee percentage multiplied by the previous quarter closing account value divided by 4. Fees in new accounts set up are based on the account value on the date the new assets arrive in the account. The fee will equal the client's household fee percentage multiplied by the opening account value divided by 365 multiplied by the number of days remaining in the quarter.

C. Describe any other types of fees or expenses clients may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that clients will incur brokerage and other transaction costs, and direct clients to the section(s) of your brochure that discuss brokerage.

In addition to SFG's management fees, clients may be subject to other fees and charges for maintaining the account. In addition, the client may incur transaction fees in the account. The client will indirectly pay a management fee to the managers of mutual funds used within the account.

D. If your clients either may or must pay your fees in advance, disclose this fact. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.

Fees for advisory services and for fee plans are paid after the service is delivered. Asset management fees, however, are paid quarterly, in advance.

Fees for financial planning services are billed after the service is delivered, so no refunds will apply to these fees. Plan fees are billed in two phases. \$250 is billed after the initial appointment. The remainder of the fee is billed after the plan is presented to the client. If the client chooses to cancel the contract at any point in the process before the plan presentation meeting, any fees unbilled at that point will be cancelled. Any fees billed prior to the client cancelling our services, are expected to be paid by the client.

Asset management fees are billed in advance, therefore refunds may apply depending on when services are cancelled by the client. The refund will equal the household fee percentage multiplied by the account value divided by 365 multiplied by the number of days remaining in the quarter. Refunds will only be given on withdrawals of \$10,000 or greater from an account that is not cancelling management services. In these cases, the refund will be credited on the next quarter's billing.

E. If you or any of your supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.

1. Explain that this practice presents a conflict of interest and gives you or your supervised persons an incentive to recommend investment products based on the compensation received, rather than on a client's needs. Describe generally how you address conflicts that arise, including your procedures for disclosing the conflicts to clients. If you primarily recommend mutual funds, disclose whether you will recommend "no-load" funds.

Some investment adviser representatives of SFG are also registered representatives of Comprehensive Asset Management (CAMAS). They may secure investment products for clients through CAMAS, their broker-dealer. CAMAS is not affiliated with SFG and assumes no responsibility for SFG's investment advisory activities. This presents a potential conflict of interest in that representatives may have incentive to recommend one product over another based on what they may receive as compensation. SFG's general practice is to use no-load mutual funds when possible. If the client has enough assets to meet our minimum account size of \$50,000, and is a fit for asset management, then a no-load mutual fund is used with asset management services. Generally, only accounts that fall below our minimum are sold on the commission-based fund company platforms.

2. Explain that clients have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.

Clients have the option to purchase investment products recommended by SFG through other brokers or agents that are not affiliated with SFG. If an investment adviser representative of SFG is selected to assist in the execution of any of the client's securities transactions, he/she will utilize CAMAS as the broker-dealer. If a client chooses to use any other broker-dealer other than CAMAS, an IAR of SFG may not participate or assist in any manner, in any purchase, sale or other transaction effected through that broker-dealer.

3. If more than 50% of your revenue from advisory clients results from commissions and other compensation for the sale of investment products you recommend to your clients, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.

This item is not applicable to SFG.

4. If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your

[advisory fees to offset the commissions or markups.](#)

Note: If you receive compensation in connection with the purchase or sale of securities, you should carefully consider the applicability of the broker-dealer registration requirements of the [Securities Exchange Act of 1934](#) and any applicable state securities statutes.

Clients purchasing certain securities products through an investment adviser representative of SFG are advised that the representative of SFG may receive 12b-1 fees as a result of the transaction. SFG asset management generally uses no-load mutual fund or non-commissionable variable annuities. If a commissionable variable annuity is sold in addition to using asset management, SFG reduces the management fee, if necessary, to ensure the client pays no more than 3% annually in an account that is under SFG asset management.

Performance-Based Fees and Side-By-Side Management

Form ADV Part 2A, Item 6

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

If you or any of your supervised persons accepts performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client (such as a client that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your supervised persons manage both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your supervised persons face by managing these accounts at the same time, including that you or your supervised persons have an incentive to favor accounts for which you or your supervised persons receive a performance-based fee, and describe generally how you address these conflicts.

This item is not applicable to SFG. SFG does not accept performance-based fees.

Types of Clients

Form ADV Part 2A, Item 7

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

Describe the types of clients to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.

SFG's clients generally consist of individuals, trusts, estates, charitable organizations, and other business entities. SFG does not have any investment companies as advisory clients. SFG asset management has an account minimum of \$50,000. Exceptions may be made at SFG's discretion to allow fund substitutions to accommodate smaller accounts down to \$10,000. Once an account is open and active, if the value falls below our minimum of \$50,000, management may continue, but fund substitutions are likely. If a managed account falls below \$10,000, SFG will cancel the management contract and notify the client.

Methods of Analysis, Investment Strategies and Risk of Loss

Form ADV Part 2A, Item 8

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

A. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that clients should be prepared to bear.

Investing in securities involves risk of loss that clients should understand and be prepared to bear. SFG follows a defined method of arriving at what mutual funds will be used in our asset management models. SFG subscribes to Morningstar Direct, a software that provides data on investment categories. SFG's portfolio manager then applies the rankings and divides the data into different reports. Next the categories are then filtered according to six criteria: 1) overlap with other high ranked categories, 2) concentration vs. diversification, 3) fund availability, 4) trends within the rankings, 5) opportunity, and 6) risk/reward score. SFG has an Investment Advisory Team (IAT) made up of SFG staff members who then review the data and discuss the categories. The categories are chosen by the IAT, which then leads to fund selection within the categories selected. SFG's portfolio manager reviews available funds and applies a similar filtering process to the funds before selecting the funds that will make up each model.

B. For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

An obvious risk involved in SFG's method of analysis is that past performance of funds is no guarantee to future performance of those same funds. SFG does not use frequent trading as an investment strategy. SFG models are reviewed quarterly, with changes being made as necessary at that time. SFG may perform an intra quarter trade if necessary. In this case, the client may pay a short term trading fee.

C. If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.

Not applicable. SFG uses mainly mutual funds in our asset management models. Our Gold model does contain one ETF.

Disciplinary Information

Form ADV Part 2A, Item 9

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

If there are legal or disciplinary events that are material to a client's or prospective client's evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.

Items 9.A, 9.B, and 9.C list specific legal and disciplinary events presumed to be material for this Item. If your advisory firm or a management person has been involved in one of these events, you must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in your or the management person's favor, or was reversed, suspended or vacated, or (2) you have rebutted the presumption of materiality to determine that the event is not material (see Note below). For purposes of calculating this ten-year period, the "date" of an event is the date that the final order, judgment, or decree was entered, or the date that any rights of appeal from preliminary orders, judgments or decrees lapsed.

Items 9.A, 9.B, and 9.C do not contain an exclusive list of material disciplinary events. If your advisory firm or a management person has been involved in a legal or disciplinary event that is not listed in Items 9.A, 9.B, or 9.C, but nonetheless is material to a client's or prospective client's evaluation of your advisory business or the integrity of its management, you must disclose the event. Similarly, even if more than ten years have passed since the date of the event, you must disclose the event if it is so serious that it remains material to a client's or prospective client's evaluation.

A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which your firm or a management person

1. was convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;

Not applicable.

2. is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;

Not applicable.

3. was found to have been involved in a violation of an investment-related statute or regulation; or

Not applicable.

4. was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.

Not applicable.

B. An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which your firm or a management person

1. was found to have caused an investment-related business to lose its authorization to do business; or

Not applicable.

2. was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority

(a) denying, suspending, or revoking the authorization of your firm or a management person to act in an investment-related business;

Not applicable.

(b) barring or suspending your firm's or a management person's association with an investment-related business;

Not applicable.

(c) otherwise significantly limiting your firm's or a management person's investment-related activities; or

Not applicable.

(d) imposing a civil money penalty of more than \$2,500 on your firm or a management person.

Not applicable.

C. A self-regulatory organization (SRO) proceeding in which your firm or a management person

Not applicable.

1. was found to have caused an investment-related business to lose its authorization to do business; or

Not applicable.

2. was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership;

(ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.

Note: You may, under certain circumstances, rebut the presumption that a disciplinary event is material. If an event is immaterial, you are not required to disclose it. When you review a legal or disciplinary event involving your firm or a management person to determine whether it is appropriate to rebut the presumption of materiality, you should consider all of the following factors: (1) the proximity of the person involved in the disciplinary event to the advisory function; (2) the nature of the infraction that led to the disciplinary event; (3) the severity of the disciplinary sanction; and (4) the time elapsed since the date of the disciplinary event. If you conclude that the materiality presumption has been overcome, you must prepare and maintain a file memorandum of your determination in your records. See [SEC rule 204-2\(a\)\(14\)\(iii\)](#).

Not applicable.

Other Financial Industry Activities and Affiliations

Form ADV Part 2A, Item 10

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

- A. If you or any of your management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.

Some investment adviser representatives of SFG are also registered representatives of a broker-dealer, Comprehensive Asset Management (CAMAS). In addition, some support staff are also non-producing registered representatives of CAMAS.

- B. If you or any of your management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.

Not applicable.

C. Describe any relationship or arrangement that is material to your advisory business or to your clients that you or any of your management persons have with any related person listed below. Identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how you address it.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
3. other investment adviser or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading advisor
5. banking or thrift institution
6. accountant or accounting firm
7. lawyer or law firm
8. insurance company or agency
9. pension consultant
10. real estate broker or dealer
11. sponsor or syndicator of limited partnerships.

In addition to our advisory services offered, SFG is also an insurance agency. Some investment adviser representatives of SFG also sell insurance products including life and long term care, fixed annuities and equity indexed annuities. SFG and the writing agent receive commissions for the sale of insurance products. This is a potential conflict of interest. However, the client is able to purchase insurance products through SFG or through another agent/agency of their choice. SFG does not actively market their insurance services.

- D. If you recommend or select other investment advisers for your clients and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.

This is not applicable to SFG.

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

Form ADV Part 2A, Item 11

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

A. If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to [SEC rule 204A-1](#) or similar state rules. Explain that you will provide a copy of your code of ethics to any client or prospective client upon request.

SFG has a Code of Ethics in accordance with Rule 204A-1. All investment adviser representatives and employees of SFG are required to sign an acknowledgment that they received a copy of and will comply with the guidelines in the Code of Ethics. SFG keeps copies of all Code of Ethics for five years after the last date they are in effect. Acknowledgments are kept for five years after the individual ceases to be a supervised person. Clients of SFG may request a copy of the Code of Ethics. SFG also collects and reviews personal securities transactions in reportable accounts of its staff on a quarterly basis.

B. If you or a related person recommends to clients, or buys or sells for client accounts, securities in which you or a related person has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

Examples: (1) You or a related person, as principal, buys securities from (or sells securities to) your clients; (2) you or a related person acts as general partner in a partnership in which you solicit client investments; or (3) you or a related person acts as an investment adviser to an investment company that you recommend to clients.

Not applicable.

C. If you or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that you or a related person recommends to clients, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading. Investment adviser representatives of SFG may invest in the same securities that he/she recommends to clients. In this case their account is treated exactly the same as any other client account. The representative chooses a model and their managed accounts contain mutual funds and are all traded quarterly. All client accounts are traded on the same date for the quarterly trade. No accounts are traded before others.

D. If you or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for your own (or the related person's own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

Note: The description required by Item 11.A may include information responsive to Item 11.B, C or D. If so, it is not necessary to make repeated disclosures of the same information. You do not have to provide disclosure in response to Item 11.B, 11.C, or 11.D with respect to securities that are not "reportable securities" under [SEC rule 204A-1\(e\)\(10\)](#) and similar state rules.

Investment adviser representatives of SFG may invest in the same securities that he/she recommends to clients. In this case their account is treated exactly the same as any other client account. The representative chooses a model and their managed accounts contain mutual funds and are all traded quarterly. All client accounts are traded on the same date for the quarterly trade. No accounts are traded before others.

Brokerage Practices

Form ADV Part 2A, Item 12

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

A. Describe the factors that you consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

1. Research and Other Soft Dollar Benefits. If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions ("soft dollar benefits"), disclose your practices and discuss the conflicts of interest they create.

Note: Your disclosure and discussion must include all soft dollar benefits you receive, including, in the case of research, both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party.

Not applicable.

a. Explain that when you use client brokerage commissions (or markups or markdowns) to obtain research or other products or services, you receive a benefit because you do not have to produce or pay for the research, products or services.

Not applicable.

b. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving the research or other products or services, rather than on your clients' interest in receiving most favorable execution.

Not applicable.

c. If you may cause clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), disclose this fact.

Not applicable.

d. Disclose whether you use soft dollar benefits to service all of your clients' accounts or only those that paid for the benefits. Disclose whether you seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.

Not applicable.

e. Describe the types of products and services you or any of your related persons acquired with client brokerage commissions (or markups or markdowns) within your last fiscal year.

Note: This description must be specific enough for your clients to understand the types of products or services that you are acquiring and to permit them to evaluate possible conflicts of interest. Your description must be more detailed for products or services that do not qualify for the safe harbor in [section 28\(e\) of the Securities Exchange Act of 1934](#), such as those services that do not aid in investment decision-making or trade execution. Merely disclosing that you obtain various research reports and products is not specific enough.

Not applicable.

f. Explain the procedures you used during your last fiscal year to direct client transactions to a particular broker-dealer in return for soft dollar benefits you received.

Not applicable.

2. Brokerage for Client Referrals. If you consider, in selecting or recommending broker-dealers, whether you or a related person receives client referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.

a. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving client referrals, rather than on your clients' interest in receiving most favorable execution.

SFG has an agreement in place with Jefferson National to receive referrals. However, SFG is not obligated to use Jefferson National with the referred clients or in order to receive the referrals. Jefferson National receives compensation from the business written regardless of where SFG places it.

b. Explain the procedures you used during your last fiscal year to direct client transactions to a particular broker-dealer in return for client referrals.

Not applicable. SFG does not have to direct transactions to Jefferson National to receive referrals from them.

3. Directed Brokerage.

a. If you routinely recommend, request or require that a client direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all advisers require their clients to direct brokerage. If you and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of client transactions, and that this practice may cost clients more money.

SFG may secure investment products for its clients through its registered representatives or Comprehensive Asset Management (CAMAS), its broker-dealer. Producing investment adviser representatives of SFG are registered representatives of CAMAS. CAMAS is not affiliated with SFG and assumes no responsibility for SFG's investment advisory activities. Not all advisers require clients to direct brokerage to a specific broker-dealer. If the client chooses to use a different broker-dealer, an SFG representative cannot participate or assist in the transaction. Using only one broker-dealer SFG may not achieve the most favorable execution of client transactions, resulting in the client potentially paying more for transactions.

b. If you permit a client to direct brokerage, describe your practice. If applicable, explain that you may be unable to achieve most favorable execution of client transactions. Explain that directing brokerage may cost clients more money. For example, in a directed brokerage account, the client may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices.

Note: If your clients only have directed brokerage arrangements subject to most favorable execution of client transactions, you do not need to respond to the last sentence of Item [12.A.3.a.](#) or to the second or third sentences of Item [12.A.3.b.](#)

Not applicable. SFG representatives can only use their broker-dealer, CAMAS, for securities transactions.

B. Discuss whether and under what conditions you aggregate the purchase or sale of securities for various client accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to clients of not aggregating.

Not applicable.

Review of Accounts

Form ADV Part 2A, Item 13

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

A. Indicate whether you periodically review client accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the supervised persons who conduct the review.

A properly licensed representative will attempt to meet with all asset management clients at least annually to review the results of their investment portfolio and to see if there has been a material change in the client's goals, objectives, timeline, or risk profile. Reviews with clients are conducted by investment adviser representatives of SFG, referred to as Planners. Planners provide the client with current account information. They also discuss alternative investment options as necessary or as requested by the client.

Fee plans are updated whenever requested by the client. The appropriate SFG representative will collect updated information and present an updated plan to the client.

B. If you review client accounts on other than a periodic basis, describe the factors that trigger a review.

More frequent reviews may be triggered by material market, economic, or political events. Changes in the client's circumstances may also trigger more frequent review.

C. Describe the content and indicate the frequency of regular reports you provide to clients regarding their accounts. State whether these reports are written.

Planners provide the client with current account information. They also discuss alternative investment options as necessary or as requested by the client. Clients also receive at least quarterly statements directly from the custodian where their accounts are held.

Client Referrals and Other Compensation

Form ADV Part 2A, Item 14

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

A. If someone who is not a client provides an economic benefit to you for providing investment advice or other advisory services to your clients, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.

Not applicable.

B. If you or a related person directly or indirectly compensates any person who is not your supervised person for client referrals, describe the arrangement and the compensation.

Note: If you compensate any person for client referrals, you should consider whether [SEC rule 206\(4\)-3](#) or similar state rules regarding solicitation arrangements and/or state rules requiring registration of investment adviser representatives apply.

SFG has a solicitor agreement with Comprehensive Capital Management, and RIA in New Jersey. Comprehensive Capital Management representatives may solicit business on behalf of SFG asset management. Comprehensive Capital Management shares in the fees paid by the clients they solicit.

Custody

Form ADV Part 2A, Item 15

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

If you have custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your clients, explain that clients will receive account statements from the broker-dealer, bank or other qualified custodian and that clients should carefully review those statements. If your clients also receive account statements from you, your explanation must include a statement urging clients to compare the account statements they receive from the qualified custodian with those they receive from you.

SFG has custody of client funds only to the extent that we debit clients' accounts for our asset management fees. SFG provides limited information to clients in the form of an aggregated account balance statement. It does not include transaction history. The custodian where client funds are held provides at least quarterly, sometime monthly, statements directly to the clients. Clients should review those statements from the custodian carefully.

Investment Discretion

Form ADV Part 2A, Item 16

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).

Asset management clients must provide SFG with discretionary authority to determine the funds to buy or sell in the client's account. SFG does not accept discretionary authority to choose the broker, dealer, or commissions to be paid for these accounts. All trades will be effected through the designated custodian/broker as selected by the client. SFG will not try to place trades with other brokers which may offer lower transaction rates or better execution. SFG obtains a signed client engagement agreement which spells out the discretion the client gives SFG.

Voting Client Securities

Form ADV Part 2A, Item 17

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

A. If you have, or will accept, authority to vote client securities, briefly describe your voting policies and procedures, including those adopted pursuant to [SEC rule 206\(4\)-6](#). Describe whether (and, if so, how) your clients can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your clients with respect to voting their securities. Describe how clients may obtain information from you about how you voted their securities. Explain to clients that they may obtain a copy of your proxy voting policies and procedures upon request.

SFG does not vote the client's proxies, unless specifically required to do so by the ERISA plan documents. Otherwise, it is the client's responsibility to vote his/her proxies. Clients may request a copy of SFG's proxy voting policy.

B. If you do not have authority to vote client securities, disclose this fact. Explain whether clients will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) clients can contact you with questions about a particular solicitation.

SFG does not vote the client's proxies, unless specifically required to do so by the ERISA plan documents. Otherwise, it is the client's responsibility to vote his/her proxies. Clients may request a copy of SFG's proxy voting policy. Clients will receive their proxies or other solicitations directly from the custodian. Clients should contact the custodian directly with any questions regarding such solicitation.

Financial Information

Form ADV Part 2A, Item 18

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

A. If you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, include a balance sheet for your most recent fiscal year.

1. The balance sheet must be prepared in accordance with generally accepted accounting principles, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity.

Not applicable.

2. Show parenthetically the market or fair value of securities included at cost.

Not applicable.

3. Qualifications of the independent public accountant and any accompanying independent public accountant's report must conform to [Article 2 of SEC Regulation S-X](#).

Note: If you are a sole proprietor, show investment advisory business assets and liabilities separate from other business and personal assets and liabilities. You may aggregate other business and personal assets unless advisory business liabilities exceed advisory business assets.

Note: If you have not completed your first fiscal year, include a balance sheet dated not more than 90 days prior to the date of your brochure.

Exception: You are not required to respond to Item 18.A of Part 2A if you also are: (i) a qualified custodian as defined in [SEC rule 206\(4\)-2](#) or similar state rules; or (ii) an insurance company.

[Click here to enter text.](#)

B. If you have discretionary authority or custody of client funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to clients.

Note: With respect to [Items 18.A](#) and [18.B](#), if you are registered or are registering with one or more of the state securities authorities, the dollar amount reporting threshold for including the required balance sheet and for making the required financial condition disclosures is more than \$500 in fees per client, six months or more in advance.

Not applicable.

C. If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.

If you are registering or are registered with one or more state securities authorities, you must respond to the following additional Item.

Not applicable.

Jeffrey A. Shelton

Shelton Financial Group, Inc.

7617 West Jefferson Boulevard
260-436-7006

3/31/2011

**FORM ADV PART 2B
BROCHURE SUPPLEMENT**

This brochure supplement provides information about Jeffrey A. Shelton that supplements the Shelton Financial Group, Inc. brochure. You should have received a copy of that brochure. Please contact Jason White if you did not receive Shelton Financial Group's brochure or if you have any questions about the contents of this supplement.

Additional information about Jeffrey A. Shelton is available on the SEC's website at www.adviserinfo.sec.gov.

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Educational Background and Business Experience

Form ADV Part 2B, Item 2

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

Disclose the supervised person's name, age (or year of birth), formal education after high school, and business background (including an identification of the specific positions held) for the preceding five years. If the supervised person has no high school education, no formal education after high school, or no business background, disclose this fact. You may list any professional designations held by the supervised person, but if you do so, you must provide a sufficient explanation of the minimum qualifications required for each designation to allow clients to understand the value of the designation.

Name

Year of Birth: 1965

Formal Education after High School:

- Ball State University, B.S. Degree, Business Management, 1988
-

Business Background for the Previous Five Years:

- Shelton Financial Group, Inc., President, 03/1996 to present

Certifications:

Disciplinary Information

Form ADV Part 2B, Item 3

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

If there are legal or disciplinary events material to a client's or prospective client's evaluation of the supervised person, disclose all material facts regarding those events.

Items 3.A, 3.B, 3.C, and 3.D below list specific legal and disciplinary events presumed to be material for this Item. If the supervised person has been involved in one of these events, you must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in the supervised person's favor, or was reversed, suspended or vacated, or (2) you have rebutted the presumption of materiality to determine that the event is not material (see Note below). For purposes of calculating this ten-year period, the "date" of an event is the date the final order, judgment, or decree was entered, or the date any rights of appeal from preliminary orders, judgments or decrees lapsed.

Items 3.A, 3.B, 3.C, and 3.D do not contain an exclusive list of material disciplinary events. If the supervised person has been involved in a legal or disciplinary event that is not listed in Items 3.A, 3.B, 3.C, or 3.D but is material to a client's or prospective client's evaluation of the supervised person's integrity, you must disclose the event. Similarly, even if more than ten years have passed since the date of the event, you must disclose the event if it is so serious that it remains currently material to a client's or prospective client's evaluation. If you deliver a supplement electronically and if a particular disclosure required below for the supervised person is provided through either the Financial Industry Regulatory Authority's (FINRA) BrokerCheck system or the IAPD, you may satisfy that particular disclosure obligation by including in that supplement (i) a statement that the supervised person has a disciplinary history, the details of which can be found on FINRA's BrokerCheck system or the IAPD, and (ii) a hyperlink to the relevant system with a brief explanation of how the client can access the disciplinary history. The BrokerCheck link is www.finra.org/brokercheck; the IAPD link is www.adviserinfo.sec.gov.

- A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which the supervised person
1. was convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;
 2. is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;
 3. was found to have been involved in a violation of an investment-related statute or regulation; or
 4. was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, the supervised person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.
- Not applicable.
- B. An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which the supervised person
1. was found to have caused an investment-related business to lose its authorization to do business; or
 2. was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority

- (a) denying, suspending, or revoking the authorization of the supervised person to act in an investment-related business;
- (b) barring or suspending the supervised person's association with an investment-related business;
- (c) otherwise significantly limiting the supervised person's investment-related activities; or
- (d) imposing a civil money penalty of more than \$2,500 on the supervised person.

Not applicable.

C. A self-regulatory organization (SRO) proceeding in which the supervised person

- 1. was found to have caused an investment-related business to lose its authorization to do business; or
- 2. was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.

Not applicable.

D. Any other proceeding in which a professional attainment, designation, or license of the supervised person was revoked or suspended because of a violation of rules relating to professional conduct. If the supervised person resigned (or otherwise relinquished his attainment, designation, or license) in anticipation of such a proceeding (and the adviser knows, or should have known, of such resignation or relinquishment), disclose the event.

Not applicable.

Note: You may, under certain circumstances, rebut the presumption that a disciplinary event is material. If an event is immaterial, you are not required to disclose it. When you review a legal or disciplinary event involving the supervised person to determine whether it is appropriate to rebut the presumption of materiality, you should consider all of the following factors: (1) the proximity of the supervised person to the advisory function; (2) the nature of the infraction that led to the disciplinary event; (3) the severity of the disciplinary sanction; and (4) the time elapsed since the date of the disciplinary event. If you conclude that the materiality presumption has been overcome, you must prepare and maintain a file memorandum of your determination in your records. See [SEC rule 204-2\(a\)\(14\)\(iii\)](#) and similar state rule.

Other Business Activities

Form ADV Part 2B, Item 4

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

A. If the supervised person is actively engaged in any investment-related business or occupation, including if the supervised person is registered, or has an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant ("FCM"), commodity pool operator ("CPO"), commodity trading advisor ("CTA"), or an associated person of an FCM, CPO, or CTA, disclose this fact and describe the business relationship, if any, between the advisory business and the other business.

- If a relationship between the advisory business and the supervised person's other financial industry activities creates a material conflict of interest with clients, describe the nature of the conflict and generally how you address it.
- If the supervised person receives commissions, bonuses or other compensation based on the sale of securities or other investment products, including as a broker-dealer or registered representative, and including distribution or service ("trail") fees from the sale of mutual funds, disclose this fact. If this compensation is not cash, explain what type of compensation the supervised person receives. Explain that this practice gives the supervised person an incentive to recommend investment products based on the compensation received, rather than on the client's needs.

Jeffrey A. Shelton is a registered representative of Comprehensive Asset Management (CAMAS) and may sell securities through them. There is a potential conflict of interest in that Jeff could sell securities through CAMAS and earn commissions when a fee-based managed account may be more suitable. SFG's policy is that if a fee-based managed account is suitable and the client has enough assets to meet our \$50,000 minimum account size, a managed account will be used. Jeff Shelton may receive trail fees from the sale of mutual funds. This may give him incentive to recommend products based on compensation received over client needs.

B. If the supervised person is actively engaged in any business or occupation for compensation not discussed in response to Item 4.A, above, and the other business activity or activities provide a substantial source of the supervised person's income or involve a substantial amount of the supervised person's time, disclose this fact and describe the nature of that business. If the other business activities represent less than 10 percent of the supervised person's time and income, you may presume that they are not substantial.

Not applicable.

Additional Compensation

Form ADV Part 2B, Item 5

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

If someone who is not a client provides an economic benefit to the supervised person for providing advisory services, generally describe the arrangement. For purposes of this Item, economic benefits include sales awards and other prizes, but do not include the supervised person's regular salary. Any bonus that is based, at least in part, on the number or amount of sales, client referrals, or new accounts should be considered an economic benefit, but other regular bonuses should not.

Not applicable.

Supervision

Form ADV Part 2B, Item 6

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

Explain how you supervise the supervised person, including how you monitor the advice the supervised person provides to clients. Provide the name, title and telephone number of the person responsible for supervising the supervised person's advisory activities on behalf of your firm.

Jeff Shelton, as an investment adviser representative of SFG, is supervised by SFG's Chief Compliance Officer, Jason E. White, 260-436-7006. All new business is reviewed by the CCO prior to processing to review what action is being taken and suitability of the transaction.

Al Lindsten

Shelton Financial Group, Inc.

7617 West Jefferson Boulevard
260-436-7006

3/31/2011

**FORM ADV PART 2B
BROCHURE SUPPLEMENT**

This brochure supplement provides information about Al Lindsten that supplements the Shelton Financial Group, Inc. brochure. You should have received a copy of that brochure. Please contact Jason White if you did not receive Shelton Financial Group's brochure or if you have any questions about the contents of this supplement.

Additional information about Al Lindsten is available on the SEC's website at www.adviserinfo.sec.gov.

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Educational Background and Business Experience

Form ADV Part 2B, Item 2

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

Disclose the supervised person's name, age (or year of birth), formal education after high school, and business background (including an identification of the specific positions held) for the preceding five years. If the supervised person has no high school education, no formal education after high school, or no business background, disclose this fact. You may list any professional designations held by the supervised person, but if you do so, you must provide a sufficient explanation of the minimum qualifications required for each designation to allow clients to understand the value of the designation.

Name

Year of Birth: 1954

Formal Education after High School:

- Wheaton College, B.A. Degree, Economics, 1977
- Northwestern University, M.B.A., Finance & Accounting, 1985

Business Background for the Previous Five Years:

- Shelton Financial Group, Inc., Planner, 02/2007 to present
- cfd Investments, Representative, 02/2006 to 02/2007

Certifications:

Disciplinary Information

Form ADV Part 2B, Item 3

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

If there are legal or disciplinary events material to a client's or prospective client's evaluation of the supervised person, disclose all material facts regarding those events.

Items 3.A, 3.B, 3.C, and 3.D below list specific legal and disciplinary events presumed to be material for this Item. If the supervised person has been involved in one of these events, you must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in the supervised person's favor, or was reversed, suspended or vacated, or (2) you have rebutted the presumption of materiality to determine that the event is not material (see Note below). For purposes of calculating this ten-year period, the "date" of an event is the date the final order, judgment, or decree was entered, or the date any rights of appeal from preliminary orders, judgments or decrees lapsed.

Items 3.A, 3.B, 3.C, and 3.D do not contain an exclusive list of material disciplinary events. If the supervised person has been involved in a legal or disciplinary event that is not listed in Items 3.A, 3.B, 3.C, or 3.D but is material to a client's or prospective client's evaluation of the supervised person's integrity, you must disclose the event. Similarly, even if more than ten years have passed since the date of the event, you must disclose the event if it is so serious that it remains currently material to a client's or prospective client's evaluation. If you deliver a supplement electronically and if a particular disclosure required below for the supervised person is provided through either the Financial Industry Regulatory Authority's (FINRA) BrokerCheck system or the IAPD, you may satisfy that particular disclosure obligation by including in that supplement (i) a statement that the supervised person has a disciplinary history, the details of which can be found on FINRA's BrokerCheck system or the IAPD, and (ii) a hyperlink to the relevant system with a brief explanation of how the client can access the disciplinary history. The BrokerCheck link is www.finra.org/brokercheck; the IAPD link is www.adviserinfo.sec.gov.

- A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which the supervised person
1. was convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;
 2. is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;
 3. was found to have been involved in a violation of an investment-related statute or regulation; or
 4. was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, the supervised person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.

Not applicable.

- B. An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which the supervised person
1. was found to have caused an investment-related business to lose its authorization to do business; or
 2. was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority

(a) denying, suspending, or revoking the authorization of the supervised person to act in an investment-related business;

(b) barring or suspending the supervised person's association with an investment-related business;

(c) otherwise significantly limiting the supervised person's investment-related activities; or

(d) imposing a civil money penalty of more than \$2,500 on the supervised person.

Not applicable.

C. A self-regulatory organization (SRO) proceeding in which the supervised person

1. was found to have caused an investment-related business to lose its authorization to do business; or

2. was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.

Not applicable.

D. Any other proceeding in which a professional attainment, designation, or license of the supervised person was revoked or suspended because of a violation of rules relating to professional conduct. If the supervised person resigned (or otherwise relinquished his attainment, designation, or license) in anticipation of such a proceeding (and the adviser knows, or should have known, of such resignation or relinquishment), disclose the event.

Not applicable.

Note: You may, under certain circumstances, rebut the presumption that a disciplinary event is material. If an event is immaterial, you are not required to disclose it. When you review a legal or disciplinary event involving the supervised person to determine whether it is appropriate to rebut the presumption of materiality, you should consider all of the following factors: (1) the proximity of the supervised person to the advisory function; (2) the nature of the infraction that led to the disciplinary event; (3) the severity of the disciplinary sanction; and (4) the time elapsed since the date of the disciplinary event. If you conclude that the materiality presumption has been overcome, you must prepare and maintain a file memorandum of your determination in your records. See [SEC rule 204-2\(a\)\(14\)\(iii\)](#) and similar state rule.

Other Business Activities

Form ADV Part 2B, Item 4

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

A. If the supervised person is actively engaged in any investment-related business or occupation, including if the supervised person is registered, or has an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant ("FCM"), commodity pool operator ("CPO"), commodity trading advisor ("CTA"), or an associated person of an FCM, CPO, or CTA, disclose this fact and describe the business relationship, if any, between the advisory business and the other business.

- If a relationship between the advisory business and the supervised person's other financial industry activities creates a material conflict of interest with clients, describe the nature of the conflict and generally how you address it.
- If the supervised person receives commissions, bonuses or other compensation based on the sale of securities or other investment products, including as a broker-dealer or registered representative, and including distribution or service ("trail") fees from the sale of mutual funds, disclose this fact. If this compensation is not cash, explain what type of compensation the supervised person receives. Explain that this practice gives the supervised person an incentive to recommend investment products based on the compensation received, rather than on the client's needs.

Al Lindsten is a registered representative of Comprehensive Asset Management (CAMAS) and may sell securities through them. There is a potential conflict of interest in that Al could sell securities through CAMAS and earn commissions when a fee-based managed account may be more suitable. SFG's policy is that if a fee-based managed account is suitable and the client has enough assets to meet our \$50,000 minimum account size, a managed account will be used. Al Lindsten may receive trail fees from the sale of mutual funds. This may give him incentive to recommend products based on compensation received over client needs.

B. If the supervised person is actively engaged in any business or occupation for compensation not discussed in response to Item 4.A, above, and the other business activity or activities provide a substantial source of the supervised person's income or involve a substantial amount of the supervised person's time, disclose this fact and describe the nature of that business. If the other business activities represent less than 10 percent of the supervised person's time and income, you may presume that they are not substantial.

Not applicable.

Additional Compensation

Form ADV Part 2B, Item 5

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

If someone who is not a client provides an economic benefit to the supervised person for providing advisory services, generally describe the arrangement. For purposes of this Item, economic benefits include sales awards and other prizes, but do not include the supervised person's regular salary. Any bonus that is based, at least in part, on the number or amount of sales, client referrals, or new accounts should be considered an economic benefit, but other regular bonuses should not.

Not applicable.

Supervision

Form ADV Part 2B, Item 6

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

Explain how you supervise the supervised person, including how you monitor the advice the supervised person provides to clients. Provide the name, title and telephone number of the person responsible for supervising the supervised person's advisory activities on behalf of your firm.

Al Lindsten, as an investment adviser representative of SFG, is supervised by SFG's Chief Compliance Officer, Jason E. White, 260-436-7006. All new business is reviewed by the CCO prior to processing to review what action is being taken and suitability of the transaction.

Brian L. Nieuwlandt

Shelton Financial Group, Inc.

7617 West Jefferson Boulevard
260-436-7006

3/31/2011

**FORM ADV PART 2B
BROCHURE SUPPLEMENT**

This brochure supplement provides information about Brian L. Nieuwlandt that supplements the Shelton Financial Group, Inc. brochure. You should have received a copy of that brochure. Please contact Jason White if you did not receive Shelton Financial Group's brochure or if you have any questions about the contents of this supplement.

Additional information about Brian L. Nieuwlandt is available on the SEC's website at www.adviserinfo.sec.gov.

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Educational Background and Business Experience

Form ADV Part 2B, Item 2

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

Disclose the supervised person's name, age (or year of birth), formal education after high school, and business background (including an identification of the specific positions held) for the preceding five years. If the supervised person has no high school education, no formal education after high school, or no business background, disclose this fact. You may list any professional designations held by the supervised person, but if you do so, you must provide a sufficient explanation of the minimum qualifications required for each designation to allow clients to understand the value of the designation.

Name

Year of Birth: 1966

Formal Education after High School:

- None

Business Background for the Previous Five Years:

- Shelton Financial Group, Inc., Planner, 08/2010 to present
- PFS Investments, Representative, 07/2006 to 08/2010

Certifications:

Disciplinary Information

Form ADV Part 2B, Item 3

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

If there are legal or disciplinary events material to a client's or prospective client's evaluation of the supervised person, disclose all material facts regarding those events.

Items 3.A, 3.B, 3.C, and 3.D below list specific legal and disciplinary events presumed to be material for this Item. If the supervised person has been involved in one of these events, you must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in the supervised person's favor, or was reversed, suspended or vacated, or (2) you have rebutted the presumption of materiality to determine that the event is not material (see Note below). For purposes of calculating this ten-year period, the "date" of an event is the date the final order, judgment, or decree was entered, or the date any rights of appeal from preliminary orders, judgments or decrees lapsed.

Items 3.A, 3.B, 3.C, and 3.D do not contain an exclusive list of material disciplinary events. If the supervised person has been involved in a legal or disciplinary event that is not listed in Items 3.A, 3.B, 3.C, or 3.D but is material to a client's or prospective client's evaluation of the supervised person's integrity, you must disclose the event. Similarly, even if more than ten years have passed since the date of the event, you must disclose the event if it is so serious that it remains currently material to a client's or prospective client's evaluation. If you deliver a supplement electronically and if a particular disclosure required below for the supervised person is provided through either the Financial Industry Regulatory Authority's (FINRA) BrokerCheck system or the IAPD, you may satisfy that particular disclosure obligation by including in that supplement (i) a statement that the supervised person has a disciplinary history, the details of which can be found on FINRA's BrokerCheck system or the IAPD, and (ii) a hyperlink to the relevant system with a brief explanation of how the client can access the disciplinary history. The BrokerCheck link is www.finra.org/brokercheck; the IAPD link is www.adviserinfo.sec.gov.

- A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which the supervised person
1. was convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;
 2. is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;
 3. was found to have been involved in a violation of an investment-related statute or regulation; or
 4. was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, the supervised person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.
- Not applicable.
- B. An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which the supervised person
1. was found to have caused an investment-related business to lose its authorization to do business; or
 2. was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority

(a) denying, suspending, or revoking the authorization of the supervised person to act in an investment-related business;

(b) barring or suspending the supervised person's association with an investment-related business;

(c) otherwise significantly limiting the supervised person's investment-related activities; or

(d) imposing a civil money penalty of more than \$2,500 on the supervised person.

Not applicable.

C. A self-regulatory organization (SRO) proceeding in which the supervised person

1. was found to have caused an investment-related business to lose its authorization to do business; or

2. was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.

Not applicable.

D. Any other proceeding in which a professional attainment, designation, or license of the supervised person was revoked or suspended because of a violation of rules relating to professional conduct. If the supervised person resigned (or otherwise relinquished his attainment, designation, or license) in anticipation of such a proceeding (and the adviser knows, or should have known, of such resignation or relinquishment), disclose the event.

Not applicable.

Note: You may, under certain circumstances, rebut the presumption that a disciplinary event is material. If an event is immaterial, you are not required to disclose it. When you review a legal or disciplinary event involving the supervised person to determine whether it is appropriate to rebut the presumption of materiality, you should consider all of the following factors: (1) the proximity of the supervised person to the advisory function; (2) the nature of the infraction that led to the disciplinary event; (3) the severity of the disciplinary sanction; and (4) the time elapsed since the date of the disciplinary event. If you conclude that the materiality presumption has been overcome, you must prepare and maintain a file memorandum of your determination in your records. See [SEC rule 204-2\(a\)\(14\)\(iii\)](#) and similar state rule.

Other Business Activities

Form ADV Part 2B, Item 4

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

A. If the supervised person is actively engaged in any investment-related business or occupation, including if the supervised person is registered, or has an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant ("FCM"), commodity pool operator ("CPO"), commodity trading advisor ("CTA"), or an associated person of an FCM, CPO, or CTA, disclose this fact and describe the business relationship, if any, between the advisory business and the other business.

- If a relationship between the advisory business and the supervised person's other financial industry activities creates a material conflict of interest with clients, describe the nature of the conflict and generally how you address it.
- If the supervised person receives commissions, bonuses or other compensation based on the sale of securities or other investment products, including as a broker-dealer or registered representative, and including distribution or service ("trail") fees from the sale of mutual funds, disclose this fact. If this compensation is not cash, explain what type of compensation the supervised person receives. Explain that this practice gives the supervised person an incentive to recommend investment products based on the compensation received, rather than on the client's needs.

Brian Nieuwlandt is a registered representative of Comprehensive Asset Management (CAMAS) and may sell securities through them. There is a potential conflict of interest in that Brian could sell securities through CAMAS and earn commissions when a fee-based managed account may be more suitable. SFG's policy is that if a fee-based managed account is suitable and the client has enough assets to meet our \$50,000 minimum account size, a managed account will be used. Brian Nieuwlandt may receive trail fees from the sale of mutual funds. This may give him incentive to recommend products based on compensation received over client needs.

B. If the supervised person is actively engaged in any business or occupation for compensation not discussed in response to Item 4.A, above, and the other business activity or activities provide a substantial source of the supervised person's income or involve a substantial amount of the supervised person's time, disclose this fact and describe the nature of that business. If the other business activities represent less than 10 percent of the supervised person's time and income, you may presume that they are not substantial.

Not applicable.

Additional Compensation

Form ADV Part 2B, Item 5

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If someone who is not a client provides an economic benefit to the supervised person for providing advisory services, generally describe the arrangement. For purposes of this Item, economic benefits include sales awards and other prizes, but do not include the supervised person's regular salary. Any bonus that is based, at least in part, on the number or amount of sales, client referrals, or new accounts should be considered an economic benefit, but other regular bonuses should not.

Not applicable.

Supervision

Form ADV Part 2B, Item 6

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