

Item 1 – COVER PAGE

THE MITCHELL GROUP, INC.

1100 Louisiana Street, Suite 5000

Houston, Texas 77002

713-759-2070

mitchell@tmgenergy.com

www.tmgenergy.com

PART 2A OF FORM ADV

March 29, 2012

This brochure provides information about the qualifications and business practices of The Mitchell Group, Inc. If you have any questions about the contents of this brochure, please contact us at 713-759-2070. 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 The Mitchell Group, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

The registration of The Mitchell Group, Inc. as an investment adviser with the United States Securities and Exchange Commission and various state securities authorities does not imply any level of skill or training.

Item 2 – MATERIAL CHANGES

This brochure for The Mitchell Group, Inc., which is Part 2A of our Form ADV, was prepared in response to the requirements of the United States Securities and Exchange Commission (“SEC”). In accordance with these requirements, the contents of this brochure have been updated from last year but reflect no material changes in the firm’s policies, practices or services since our last filing.

Filing Date: March 29, 2012

Item 3 – TABLE OF CONTENTS

Item 2 – MATERIAL CHANGES.....	2
Item 4 – ADVISORY BUSINESS.....	4
Item 5 – FEES AND COMPENSATION.....	5
Item 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	6
Item 7 – TYPES OF CLIENTS	7
Item 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS.....	8
Item 9 – DISCIPLINARY INFORMATION	9
Item 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	10
Item 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	11
Item 12 – BROKERAGE PRACTICES	12
Item 13 – REVIEW OF ACCOUNTS	14
Item 14 – CLIENT REFERRALS AND OTHER COMPENSATION	15
Item 15 – CUSTODY	16
Item 16 – INVESTMENT DISCRETION.....	17
Item 17 – VOTING CLIENT SECURITIES	18
Item 18 – FINANCIAL INFORMATION.....	20
Item 19 – REQUIREMENTS FOR STATE-REGISTERED ADVISERS.....	21

Item 4 – ADVISORY BUSINESS

The Mitchell Group, Inc. (the “Company”) is a corporation formed in Delaware that provides investment supervisory services (defined as the giving of continuous advice as to the investment of funds on the basis of the individual needs of each client) to institutions, pension and profit sharing plans, corporations, trusts, estates, charitable organizations, and individuals on a discretionary basis, managing the investment portfolios or portions of the investment portfolios of such clients, investing in securities of companies in the energy and related fields which the Company believes have potential for long-term capital appreciation. The Company was formed on September 13, 1989. The Company has engaged in business as an investment adviser since October, 1989. At the close of business on December 31, 2011, the Company had an aggregate of \$659,411,206 of assets under management for its various clients. As of such date \$659,411,206 of these assets was managed on a discretionary basis and \$0 of such assets was managed on a non-discretionary basis. The principal owner of the Company is Rodney B. Mitchell who owns more than 50% of the outstanding shares of the Company.

The Company’s primary goal is to achieve client objectives by providing consistently attractive rates of return while minimizing risk. The Company offers advice on equity securities, including exchange-listed securities, securities traded over-the-counter and equity securities issued by foreign issuers, warrants, corporate debt securities, commercial paper, certificates of deposit, mutual fund shares, United States government securities, options contracts on securities, interests in partnerships investing in oil and gas interests and interests in publicly traded master limited partnerships involved in the energy industry and related industries.

The Company makes an effort to consider risks associated with investing. These include, but are not limited to, liquidity, volatility, credit, take-over valuation, operational and market risk. However, the Company makes no representation that it can protect a client from any or all risks associated with investing. The Company is not a guarantor of value or performance and, except for negligence or malfeasance or violation of applicable law, neither the Company nor any of its shareholders, officers, directors, or employees shall be liable for any action performed or omitted to be performed or any errors of judgment in managing a client’s account. Nothing herein shall in any way constitute a waiver or limitation on any rights that a client may have under federal and state law.

A client is responsible for informing the Company of all applicable statutory and regulatory provisions governing the client’s investments.

Portfolio objectives are carefully established with each client through meetings and discussions between Company personnel and client representatives and, once established, are rigorously followed. Clients may impose restrictions on investing in certain securities or types of securities. Each portfolio manager handles a limited number of accounts, allowing for continuous active management with frequent reviews by the portfolio manager and his or her back-up. Periodic meetings with clients are encouraged, and each portfolio manager is available for telephone consultation at any time. Clients are provided with quarterly or interim reports showing various cost, market value, and performance statistics for securities held in their portfolio.

Item 5 – FEES AND COMPENSATION

The Company charges a quarterly fee for its service as an investment adviser. Generally this fee is a negotiated percentage of the value of the assets under management. In some cases, this fee is contractually charged at the end of each calendar quarter for services rendered during the previous quarter. In other instances, fees are charged at the beginning of each calendar quarter for services to be rendered during the current quarter.

- 1) The quarterly fee is payable upon the receipt of our invoice addressed to the client. The quarterly fee is based on the total value of client assets including cash, at the closing price on the last business day in the particular quarter. Custodian statements may not disclose the cost of investing idle cash in money market type securities since money market funds are quoted on a net yield basis; any such charges will be in addition to fees charged by the Company.
- 2) A client may terminate its investment adviser contract with the Company at any time upon 30 days written notice and upon payment to the Company of all unpaid fees then due. In those cases where the client paid a fee at the beginning of quarter, the unearned fee will be rebated to the client on a pro rata basis according to the proportion of the number of days in the fee period that were not utilized.

There is no minimum fee.

Some clients elect for the Company's fee to be deducted from the client's assets and paid directly to the Company by the client's custodian. Otherwise clients are billed for fees by the Company. Any fees charged by the custodian or broker who maintains custody of the client's account will be paid by the client. If a mutual fund, including a money market mutual fund, in which the client's account is invested charges a fee or expense, such fees and expenses will be borne by the client and will be in addition to the fees of the Company. New accounts commenced during a fee period will be charged a pro rata fee based upon the proportion of the number of days remaining in the fee period compared to the total number of days in the fee period. However, if assets are added to or withdrawn from the account during a fee period there will be no pro rata adjustment with respect to such assets added or withdrawn.

Item 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

On occasion, the Company has entered into negotiated agreements with institutional or individual investors providing for special arrangements including performance fees (i.e., fees based on a share of capital gains on or capital appreciation of the assets of a client). In these cases, compensation to the Company is on a performance fee basis. Such arrangements are structured in compliance with Rule 205-3 under the Investment Advisers Act of 1940. These arrangements have been used rarely, but such arrangements have been used occasionally. For example, such an arrangement was used with respect to a particular security which was owned by only one client. Such security was not owned by the Company nor any individual associated with the Company. Accordingly, there was no conflict with the accounts of other clients.

Item 7 – TYPES OF CLIENTS

The Company has clients that are individuals, including high net worth individuals (defined as an individual with at least \$750,000 managed by the Company, or whose net worth the Company reasonably believes exceeds \$1,500,000 (excluding the value of such individual's home), or who is a "qualified purchaser" as defined in section 2(a)(51)(A) of the Investment Company Act of 1940), banks or thrift institutions, investment companies, pension or profit sharing plans, charitable organizations, corporations or other businesses and trusts and estates. More than one-half of the Company's clients are individuals.

The Company has generally required a minimum account size of \$5,000,000. Under certain circumstances, the Company may choose to waive the minimum account size.

Item 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

The Company's security analysis methods include fundamental analysis, cyclical analysis, and technical analysis. Primary reliance is upon fundamental analysis, focused on the subject company's internal condition and external environment, however, economic analysis, particularly of international conditions and trends, energy industry analysis and evaluation of sociological and political trends, is also employed. The main sources of information that the Company uses include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the United States Securities and Exchange Commission, and issuer press releases. The investment strategies used to implement any investment advice given to clients include long term purchases (securities held for at least a year), short term purchases (securities sold within a year), trading (securities sold within 30 days), margin transactions, and option writing, including covered options, uncovered options or spreading strategies.

Clients should understand that investing in securities involves substantial risk of loss and clients should be prepared for the possibility that their accounts could suffer substantial losses. Clients should be prepared for the possibility that their accounts will have to bear such losses.

Although all of the methods of analysis and investment strategies and techniques described above are used by the Company, the Company primarily relies on fundamental analysis and generally holds securities for the long term (more than one year). Clients should understand that all securities fluctuate in value over time and often tend to perform in accordance with the overall performance of the United States economy and the United States securities markets. Although client portfolios are diversified, often in times of severe economic difficulty all types of securities tend to decline at the same time.

Item 9 – DISCIPLINARY INFORMATION

There have been no legal or disciplinary events with respect to the Company, its management persons or its employees.

Item 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Neither the Company nor any of its management persons is actively engaged in a business other than giving investment advice, with the one exception of a family farm. Management persons of the Company do invest for their personal accounts in some of the same securities in which client accounts are invested. The Company follows policies that have been established to provide preference to clients with respect to the trading of such securities. See Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

Neither the Company nor any of its management persons sells products or services other than investment advice to clients.

Neither the Company nor any management person of the Company is registered (or has an application pending) as a securities broker-dealer or a registered representative of a broker-dealer. Neither the Company nor any management person of the Company is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser or an associated person of any of the foregoing entities.

There are no arrangements that are material to the advisory business of the Company or its clients with any related person of the Company who is a broker-dealer, municipal securities dealer, government securities dealer or broker, investment company, other pooled investment vehicle, unit investment trust, other investment adviser, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer or any entity that creates or packages limited partnerships.

The Company does not recommend or select other investment advisers for clients.

The Company is not a general partner in any partnership in which clients are solicited to invest.

Item 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

The Mitchell Group, Inc. has adopted a Code of Ethics, copies of which are available to clients or prospective clients upon request. All officers and employees of the Company are subject to and expected to comply with the Code of Ethics. The Code of Ethics stresses that the Company, as a registered investment adviser, owes an undivided loyalty to the clients it serves. The Code of Ethics required officers and employees of the Company to respect the Company's primary duty of loyalty to its clients.

Accordingly, no officer or employee may effect or recommend for the account of such person or any member of his or her immediate family or for the account of the Company or the Company's employee benefit plans ("personal accounts") any transaction in a security which, to such person's knowledge, the Company is then purchasing or selling, or recommending for purchase or sale, for any client, if such transaction would in any way conflict with, or be detrimental to, the interests of such client. The term "security" does not include securities issued or guaranteed as to principal or interest by the government of the United States, banker's acceptances, bank certificates of deposit or commercial paper.

No security may be purchased or sold for personal accounts when: (i) there are any unexecuted orders to purchase or sell such security for clients of the Company in the hands of the Company's trading department, or (ii) purchases or sales of such security by or for such clients can reasonably be anticipated to be completed within the next seven calendar days by the Company's trading department. No security may be purchased or sold for personal accounts if such purchase or sale is made with a view to making a profit from a change in the price of such security resulting from anticipated transactions by or for the Company's clients. No security may be purchased or sold for personal accounts if the person proposing to make such purchase or sale knows or reasonably should know that such security is likely to be purchased or sold in significant volume for clients of the Company.

Every officer or employee of the Company shall report to the Company information with respect to transactions in any security in which such person has, or by reason of the transaction acquires, any direct or indirect beneficial ownership in the security. Such report shall be made no later than fifteen days after the end of the month in which the transaction to which the report relates was effected.

The Company and its employees and management persons and related persons to such persons may occasionally buy for their personal account securities that the Company is currently recommending and purchasing for its advisory clients. Care is taken that the acquisition and disposition of such securities for the Company and its employees and management persons and related persons are handled in such a manner that clients receive preferable execution.

Item 12 – BROKERAGE PRACTICES

The Company's discretionary authority with respect to transactions undertaken for the account of each Client is limited by an investment advisory contract between the Company and the Client. Normally, the Company is given full discretionary authority to select specific securities to be bought and sold, the amount of securities to be bought and sold (subject to limitations), the broker, dealer or other party utilized to transact purchases or sales, and to determine the commission rates paid to brokers, dealers, and other parties to perform these tasks. The Company selects brokers or dealers who can execute orders at a reasonable net execution price, which includes both commission rates and execution costs. In making these decisions, the Company considers such factors as the difficulty of the order, the size of the order, the reputation, financial strength, trading capabilities, and operational reliability of specific brokers and dealers. Among brokers and dealers sharing these characteristics, the Company may give preference to those who provide research, statistical data and other services related to investment information and portfolio management which generally are utilized to the advantage of all of the Company's Clients. In exchange for these services, the Company often incurs execution costs that are above the lowest available rates.

In some instances, Clients have directed the Company to utilize specified brokers or dealers for a portion of portfolio transactions. The Company follows such Client directions when commission costs are comparable to the Company's other negotiated rates. Furthermore, Clients must realize that such arrangements may limit "batch" orders and initial public offering (IPO) opportunities. Also, in a limited number of cases, Clients have established Prime Brokerage arrangements whereby trades through other brokers are permitted, but such trades may incur additional "trading away" fees which are payable to the Prime Broker and can also limit IPO and "batch" order opportunities.

The Company utilizes a portion of commission dollars generated from Client trades to purchase energy industry research, statistical data and other information from non-broker and non-dealer organizations. The commission cost of these soft dollar purchases and sales are comparable to the Company's other negotiated rates. The Company attempts to allocate these soft dollars equitably between Clients. However, due to various circumstances some Clients may not contribute their share and therefore benefit disproportionately.

Often the Company will aggregate or "bunch" orders for the purchase or sale of a particular security on behalf of various clients. It is the policy of the Company to attempt to allocate "bunched" or "batched" orders among participating Clients on a fair and equitable basis. Generally, executions are allocated pro rata in relationship to the amounts desired and cash available for respective Clients. On occasions where the order is only partially completed, The Company allocates among Clients based on various considerations, including the degree of order completion, the difficulty foreseen in ultimately filling the remainder of the order, the amount of stock targeted to specific Clients and the amount of stock deemed relevant to a particular Client.

On occasion, the Company will purchase for Clients securities issued in IPOs. The Company attempts to allocate IPOs, among those Clients for whom such investments are appropriate and who have available cash, in a fair and equitable manner, taking into account the degree of risk,

the size of the Company's allocation from the underwriters, and the amount of stock deemed relevant to specific Clients.

Members of the Investment Committee of the Company may serve as a director of a company in which the Company invests. In those situations, such person may from time to time have access to undisclosed inside information. On those occasions, there are periods during which no trading by the Company of such security can occur.

Item 13 – REVIEW OF ACCOUNTS

A detailed internal review of each account by portfolio managers assigned to the account occurs monthly. This review is done with regard to economic overview, industry sectors and particular securities. Each account is reviewed for conformation to investment policy as well as specific client portfolio constraints. Specific attention is paid to securities having a significant fundamental change in outlook or where technical analysis indicates that a major change is occurring. Further review of specific portfolios occurs when such review is indicated. Such reviews will occur when the Investment Committee determines that such a review is desirable.

The members of the Investment Committee are as follows:

Rodney Bruce Mitchell, born: Lubbock, Texas - February 5, 1936. Education: Kemper School; Harvard College. Business background: The Mitchell Group, Inc. (1989 - present), Tallasi Management Co. Inc. (President - 1970 - 1989); Kidder Peabody & Co. Inc. Brokerage Investment Banking (Assistant Vice President - 1963 - 1970). J. P. Morgan (1960 - 1963)

Charles Wayne Nance, born: Thornton, Texas - November 28, 1931. Education: Thornton High School; University of Texas. Business background: The Mitchell Group, Inc. (1989 - present), Tenneco Oil Company (President - 1958 - 1989).

Douglas Mabry Hohertz, born: Spearman, Texas - September 9, 1961. Education: Spearman High School; Texas Tech. Business background: The Mitchell Group, Inc. (1997 - present), Western Atlas International (Finance Manager - Exploration Services 1988 - 1997)

In addition to the Investment Committee, the members of which are named above, the Company has a Senior Strategy Committee which may provide comments concerning energy industry conditions. But the Senior Strategy Committee does not make investment decisions.

Members of the Investment Committee may serve as a director of a company in which the Company invests. In those situations, such person may from time to time have access to undisclosed inside information. On those occasions, there are periods during which no trading by the Company of such security can occur.

A written report is provided to each client after the end of each calendar quarter. This report sets forth the status of the holdings in the client's portfolio. In addition, an Economic and Market Review is prepared and provided to each client quarterly. Reports of more frequent nature in the client's portfolio are provided to ERISA accounts, where required.

Item 14 – CLIENT REFERRALS AND OTHER COMPENSATION

The Company does not pay fees or other compensation for referrals of clients or prospective clients. Furthermore, the Company does not select brokers or dealers to execute portfolio transactions because they have referred clients or prospective clients to the firm. See Item 12 – BROKERAGE PRACTICES for a discussion of brokerage practices followed by the Company.

Item 15 – CUSTODY

“Custody” means holding, directly or indirectly, client funds or securities or having authority to obtain possession of them. The Company does not hold client assets or provide custodial services. Assets of clients of our firm are held by a qualified custodian, usually a bank or brokerage firm. If the Company inadvertently receives client funds, we are required to return them to our client within three business days.

Before the Company will execute any trades under an investment advisory agreement with the Company, you must first establish an account with a qualified custodian. If you need assistance in selecting a custodian, the firm will make suggestions, taking into consideration the cost, the perceived quality of the custodial services, and the type of securities involved as well as other factors we think may be relevant.

As a client, you should compare the quarterly portfolio report you receive from our firm with the account statements you receive from your qualified custodian. We urge you to notify us immediately if you find discrepancies. For tax purposes, the account statement you receive from your custodian is the official record of your transactions and assets.

Item 16 – INVESTMENT DISCRETION

The Company will manage clients' assets on a fully discretionary basis or a limited discretionary basis. Most of our clients have granted us full discretionary authority to manage the investment of the assets in their accounts, and we prefer to manage accounts on this basis.

Before the firm may assume discretionary authority, the firm and the client must execute an investment advisory agreement. The investment advisory agreement includes:

- A statement of the firm's appointment as investment manager.
- A discussion of the duties and powers of the firm as investment manager, including discretionary authority.
- A description of the duties of the client, including advising the firm of investment objectives and any specific restrictions.
- Other pertinent information, including matters such as compensation and termination

With full discretionary authority for an account, the Company is able to do the following without obtaining the client's consent:

- Determine which securities to buy or sell
- Determine the total amount of securities to buy or sell, subject to available funds
- Determine the broker or dealer through which to buy or sell securities
- Negotiate with the selected broker regarding commission rates for securities transactions

Unless the client notifies the firm in writing of specific restrictions, the investments made on behalf of the client are considered not to be restricted. The firm manages a number of accounts with client instructions that prohibit holding certain securities or types of securities or that limit weightings in individual sectors, industries, or securities.

In certain instances, the firm's discretion to determine the broker through which client securities are bought or sold is limited due to arrangements entered into by the client or directions from the client. For example, a particular broker may have custody of a client's securities, and the client may direct the firm to use this custodial broker to purchase or sell securities in the client's account. In other instances, the client may direct the firm to give preference to one or more brokers in allocating brokerage transactions for the account. For a discussion of the firm's policies and procedures in these instances, please refer to Item 12 - Brokerage Practices.

Generally, we limit the investments that we make to securities issued by companies operating in the energy industry and related fields.

Item 17 – VOTING CLIENT SECURITIES

The Company has adopted a policy of voting all proxies relating to securities held in the accounts of clients that the Company is asked to vote in accordance with its best judgment concerning the economic long-term best interests of the client owning the securities. No officer, director, shareholder or employee of the Company is permitted to participate in the proxy voting process for a particular security held in a client account if that person is (i) an officer or director of the issuer of that security, (ii) a shareholder beneficially owning 5% or more of the outstanding securities of any class of the issuer of that security or (iii) otherwise interested in any way (other than beneficial ownership of less than 5% of the outstanding securities of any class of the issuer of that security) in the outcome of the vote to be held with respect to that security.

The decision making process with respect to the voting of proxies by the Company is based primarily on a review of the particular proxy statement by the analyst who is responsible for the research coverage of that issuer. Upon completion of the review, the analyst determines how the proxy vote should be cast. In deciding how to vote proxies, the Company relies, for the most part, on (i) the business judgment of the issuer's management and directors and (ii) the fiduciary responsibilities that the issuer's directors have with respect to the issuer's shareholders. If the Company does not have confidence in the management and directors of an issuer, generally, the Company will dispose of holdings of securities of that issuer. However, when the Company determines, based upon the information available to it, that management's recommendations do not appear to be in the best interests of the issuer's shareholders, management's recommendations will not be followed in voting the proxies.

As part of its Proxy Policy, the Company shall (i) retain copies of its Proxy Policy and proxy voting procedures adopted from time to time, (ii) retain or cause to be retained copies of all proxy statements received regarding client securities, (iii) retain or cause to be retained records of votes cast on behalf of clients, (iv) retain records of all client requests for proxy voting information and (v) retain any documents, including those in electronic format, prepared by the Company that were material to deciding how to vote, or that constituted the basis for the decision. The requirement to retain copies of proxy statements shall be satisfied, as permitted by Rule 204-2 under the Investment Advisers Act of 1940, by obtaining a copy of the relevant proxy statement from the Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system. The Company may satisfy the requirement of retaining records of votes cast on behalf of clients through the use of a third party to make and retain, on the Company's behalf, a record of the votes cast, but only if the third party has agreed to provide a copy of the record promptly upon request to the Company. Alternatively, a record may be kept of each instance in which the Company did not vote in accordance with the recommendation of management (with the implication that in all other cases the Company voted in accordance with the recommendations of management).

This Proxy Policy, as well as information on how the Company has voted with respect to securities held by clients, should be made available to clients. A client will have access to the Proxy Policy through one or more of the following sources: (i) mailings to clients by the Company, (ii) the SEC Form ADV, Part 2A prepared by the Company, and (iii) responses to written requests submitted to Debi Stephens, at the address of the Company. Information related

to the vote cast by the Company with respect to securities held by clients may be obtained by a client's making a written request to Debi Stephens at the address of the Company.

The Company shall maintain and preserve all books and records required to be maintained and preserved by it in accordance with the Proxy Policy and applicable law in an easily accessible place for a period of not less than five years from the end of the fiscal year during which the last entry was made on such books and records. During the first two years of such period, such books and records shall be located in an appropriate office of the Company. This requirement with respect to maintenance and preservation of books and records will not apply in the case of proxy statements obtained through the EDGAR system and in the case of records of votes cast made and retained by a third party.

This Proxy Policy may be changed from time to time in accordance with applicable law by action of the Board of Directors of the Company.

Item 18 – FINANCIAL INFORMATION

The disclosures required by Item 18 do not apply to us. The firm is in sound financial condition, and we are confident that we can meet future contractual commitments to our clients. The firm does not require prepayment of fees more than six months in advance. Neither the Company nor any of our affiliates has ever filed a bankruptcy petition.

Item 19 – REQUIREMENTS FOR STATE-REGISTERED ADVISERS

The Company requires that those persons involved in giving investment advice to clients demonstrate to the satisfaction of the President of the Company that such persons possess competence to provide such services.

At present the following persons are involved in giving investment advice to clients:

Rodney Bruce Mitchell, born: Lubbock, Texas - February 5, 1936. Education: Kemper School; Harvard College. Business background: The Mitchell Group, Inc. (1989 - present), Tallasi Management Co. Inc. (President - 1970 - 1989); Kidder Peabody & Co. Inc. Brokerage Investment Banking (Assistant Vice President - 1963 - 1970). J. P. Morgan (1960 - 1963)

Charles Wayne Nance, born: Thornton, Texas - November 28, 1931. Education: Thornton High School; University of Texas. Business background: The Mitchell Group, Inc. (1989 - present), Tenneco Oil Company (President - 1958 - 1989).

Douglas Mabry Hohertz, born: Spearman, Texas - September 9, 1961. Education: Spearman High School; Texas Tech. Business background: The Mitchell Group, Inc. (1997 - present), Western Atlas International (Finance Manager - Exploration Services 1988 - 1997)

Other than as indicated in the paragraphs above, neither the Company nor any of its management persons is actively engaged in a business other than giving investment advice. Management persons of the Company do invest for their personal accounts in some of the same securities in which client accounts are invested. The Company follows policies that have been established to provide preference to clients with respect to the trading of such securities. See Item 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.

In those circumstances in which the Company has been compensated with performance-based fees, the Company has been entitled to receive a percentage of the net appreciation in value of the securities to which the performance-based fees apply. Performance-based compensation may create an incentive for the Company to recommend an investment that may carry a higher degree of risk to the client. Neither the Company nor any of its associated persons provides investment advice to any hedge fund.

Neither the Company nor any management person of the Company has been involved in any award or finding of liability in an arbitration claim. Neither the Company nor any management person of the Company has been involved in any award or finding of liability in any civil, self-regulatory organization or administration proceeding involving an investment or an investment-related business or activity, any fraud, false statements or omissions, any theft, embezzlement or other wrongful taking of property, any bribery, forgery, counterfeiting, or extortion, or any dishonest, unfair or unethical practice.

Other than owning less than one percent of the outstanding securities of certain publicly traded issuers, neither the Company nor any of its management persons has any relationship or arrangement with any issuer of securities.