

THE MITCHELL GROUP, INC.

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PART 2A OF FORM ADV

March 31, 2014

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 by phone at 713-759-2070 or by email at client@tmgenergy.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about 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 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). This brochure updates the brochure we filed with the SEC on March 28, 2013 and contains the material changes listed below. The list below contains only material changes that have occurred since the filing of our previous Form ADV Part 2A.

1. Item 4 – Advisory Business: Information regarding the principal owners has been updated.
2. Item 5 – Fees and Compensation: A fee schedule has been added and the billing procedures have been updated.
3. Item 6 – Performance-Based Fees and Side-By-Side Management: Updated to clarify that The Mitchell Group, Inc. does not charge or accept performance-based fees.
4. Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading: Updated to reflect revisions to our Code of Ethics.
5. Item 13 – Review of Accounts: The persons conducting periodic reviews of client accounts have been updated.

Item 3 ó TABLE OF CONTENTS

Item 2 ó MATERIAL CHANGES.....	2
Item 4 ó ADVISORY BUSINESS.....	4
Item 5 ó FEES AND COMPENSATION	5
Item 6 ó PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT	6
Item 7 ó TYPES OF CLIENTS	7
Item 8 ó METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS	8
Item 9 ó DISCIPLINARY INFORMATION	9
Item 10 ó OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS	10
Item 11 ó CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	11
Item 12 ó BROKERAGE PRACTICES.....	12
Item 13 ó REVIEW OF ACCOUNTS	14
Item 14 ó CLIENT REFERRALS AND OTHER COMPENSATION	15
Item 15 ó CUSTODY.....	16
Item 16 ó INVESTMENT DISCRETION	17
Item 17 ó VOTING CLIENT SECURITIES.....	188
Item 18 ó FINANCIAL INFORMATION	19

Item 4 6 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 high net worth individuals, trusts, endowments, pension and profit sharing plans, charitable organizations, investments companies, corporations and other businesses on a discretionary basis. The Company manages 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, 2013, the Company had an aggregate of \$1,010,248,007 of assets under management for its various clients. As of such date, \$1,010,248,007 of these assets was managed on a discretionary basis and \$0 of such assets was managed on a non-discretionary basis. 97% of the outstanding shares of the Company are owned and/or controlled by the Company's directors and employees. While no individual person or entity owns 25% or more of the outstanding shares of the Company, Bradley W. Mitchell, the President of the Company, does have voting control with respect to 58.5% of the outstanding shares as trustee of five family trusts, each of which owns 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's advice is limited to investments in securities, including exchange-listed equity securities, equity securities traded over-the-counter, equity securities issued by foreign issuers, warrants, corporate debt securities and options contracts on securities, of companies 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, operational, commodity 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 fraud, gross negligence, willful misconduct 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/or 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 summarizing investment performance, transactions and position holdings (including cost and market value of each security held in their portfolio).

Item 5 6 FEES AND COMPENSATION

The Company charges a quarterly fee for its services as an investment adviser. This fee is a percentage of the value of the assets under management. There is no minimum fee. The annualized basic fee schedule is as follows:

<u>Assets Under Management</u>	<u>Percentage</u>
First \$40 million	1.00% per annum
Next \$60 million	0.75% per annum
Thereafter	0.60% per annum

Under the terms of the Company's current form of investment adviser contract, the quarterly fee is billed at the end of each calendar quarter for services rendered during the quarter. The fee is calculated using the market value of all cash and investments held in the account on the last business day of the quarter. If an account is managed for less than a quarter, the fee is calculated and reduced on a pro rata basis.

Under the terms of the Company's previous form of investment adviser contract and upon the request of clients, the quarterly fee is billed at the beginning of each calendar quarter for services to be rendered during the the quarter. The quarterly fees for such clients are calculated using the market value of all cash and investments held in the account on the last business day of the previous quarter. If a client that prepays its fees terminates its investment advisor contract with the Company, the unearned fee will be rebated to the client on a pro rata basis based on the number of days that the Company provided services during the applicable calendar quarter.

Although the Company has established the aforementioned fee schedule, it retains the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include, among other things, the amount of client assets placed under management, anticipated future additional assets, related accounts, portfolio style and reporting requirements. The specific annual fee schedule is identified in the written investment adviser contract between the Company and each client.

Clients are billed quarterly for fees by the Company, and such fees are payable by the client upon receipt of our invoice. The Company does not deduct its fees from clients' assets, though some of the Company's clients elect to have their fees paid directly by the client's custodian out of their assets.

Our fees do not include any brokerage commissions, custodial fees, banks fees, margin interest, national securities exchange fees, wire transfer fees or other costs or fees charged by a client's broker or custodian. All such fees are paid by the client. Please see *Item 12: Brokerage Practices* below for additional information about brokerage. 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.

A client may terminate its investment adviser contract with the Company at any time and for any reason upon delivery of 30 days written notice.

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

The Company does not charge or accept any performance-based fees or fees based on a share of capital gains or capital appreciation of client assets.

Item 7 ó TYPES OF CLIENTS

The Company currently provides investment advisory services to the following types of clients in separately managed accounts:

- High net worth individuals
- Trusts
- Endowments
- Pension or profit sharing plans
- Charitable organizations
- Investment companies
- Corporations or other businesses not listed above

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 6 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

The Company's analysis incorporates a top down economic analysis and a bottom up security analysis. The firm generates research internally as well as receiving economic, geopolitical, energy supply and demand, and company specific research from a variety of external providers. Security analysis methods include bottom up 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 geopolitical trends are also employed. The main sources of information that the Company uses include energy industry specific reports by a variety of providers, company specific presentations, Security and Exchange Commission filings, financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, 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) and trading (securities sold within 30 days). Every investment strategy has its own inherent risk and limitations. For example, longer term investment strategies may require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require less investment time to potentially develop but as a result of more frequent trading, may incur higher transactional cost when compared to a longer term investment strategy. Trading, an investment strategy that involves a holding period of 30 days or less, will incur higher fees for more frequent transaction cost when compared to a short-term or a long-term investment strategy.

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).

The Company makes an effort to consider risks associated with investing. These include, but are not limited to, liquidity, volatility, credit, operational, commodity and market risk. Clients should understand that the performance of any investment is subject to numerous factors which are not within the control of the Company and or cannot be predicted. 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.

THE LIST OF RISK FACTORS ABOVE MAY NOT BE EXHAUSTIVE. THERE MAY ADDITIONAL RISKS ASSOCIATED WITH THE COMPANY'S INVESTMENT ANALYSIS AND INVESTMENT STRATEGIES, OR WITH INVESTING IN GENERAL.

Item 9 ó DISCIPLINARY INFORMATION

The Company is required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of its advisory business or the integrity of its management. Neither the Company nor any of its management persons have any legal or disciplinary events to disclose.

Item 10 ó OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

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 ó CODE OF ETHICS, PARTICIPATION OR INTEREST IN
CLIENT TRANSACTIONS AND PERSONAL TRADING

The Company has adopted a Code of Ethics, which sets forth standards of business conduct required of all Company employees. The Code of Ethics is primarily designed to educate employees about the Company's duty of loyalty, fairness and good faith towards its clients, encourage employees to comply with applicable laws, prevent the misuse of material non-public information and address conflicts of interest that arise from personal trading by Company employees. The Code of Ethics includes policies and procedures for the review of quarterly employee securities transaction reports, as well as duplicate third-party trade confirmations and/or brokerage statements for personal employee accounts. Such reports and statements are submitted to the Company's Chief Compliance Officer (CCO) for review. The Code of Ethics requires prior approval of any employee's acquisition of securities in a limited offering (*e.g.*, private placement) or an initial public offering. The Code of Ethics also includes oversight, enforcement and recordkeeping provisions. The Company will furnish a copy of its Code of Ethics to clients and prospective clients upon request. To request a copy, email client@tmgenergy.com or call (713) 759-2070.

Company employees and related persons may buy or sell securities in their personal accounts which are purchased for, or recommended to, Company clients. This may create potential conflicts of interest. To minimize such conflicts, Company employees are forbidden from purchasing or selling any security prior to a transaction being implemented for a client account. In addition, Company employees must pre-clear all personal trades with the CCO who verifies that the security is not on the "Restricted List" of securities under consideration for purchase or sale. Employees must also receive prior approval of any acquisition of securities in a limited offering (*e.g.*, private placement) or an initial public offering. Employees must submit quarterly reports containing information on their securities trades during the previous quarter to the CCO, as well as providing the CCO with initial and annual employee securities holdings reports.

Neither the Company nor any affiliate of the Company act as Principal in client account transactions.

Item 12 ó BROKERAGE PRACTICES

The Company is responsible for broker-dealer selection unless otherwise directed by a client in writing. The Company will endeavor to select those broker-dealers which will provide the best services at the lowest commission rates possible. In making these decisions, the Company considers a number of factors, including, but not limited to, the following: commission rates, execution capability, reputation, financial strength and stability, operational reliability, quality of research, efficiency of execution and error resolution and trading capabilities of specific broker-dealers as well as the size and difficulty of the order. Research, statistical data and other services provided by a particular broker-dealer may be utilized to the advantage of other client accounts that do not pay for such research. In exchange for these services, the Company may pay commission rates that are higher than may be obtained from other broker-dealers. Each broker-dealer is evaluated on a continuous basis based on the criteria set forth above. The decision to use a particular broker-dealer is never based solely on the research, statistical or other services provided by such broker-dealer to the Company.

Consistent with obtaining best execution for clients, the Company may direct brokerage transactions for clients' portfolios to broker-dealers who provide research and brokerage services to the Company and, indirectly, to the Company's clients. These services are of the type described in Section 28(e) of the Securities Exchange Act of 1934 and are designed to augment the Company's own internal research and investment capabilities. Client commissions paid to a "soft dollar" broker-dealer can earn "soft dollars" for the Company, whereby the Company can obtain or purchase research and brokerage products for the management of all Company client accounts. Services obtained through the use of "soft dollars" may be internally developed by the relevant broker-dealer or by third-parties which are paid directly by the broker-dealer on behalf of the Company. The Company does not attempt to put a specific dollar value on the services received or to allocate the relative costs or benefits of those services among clients, believing that the research received will help the Company fulfill its duty to all Company clients. The Company may not use each particular product to service each Company client account. As a result, a Company client may pay commissions that are used, in part, to purchase research or brokerage services that are not used to benefit its specific client account.

When the Company uses client brokerage commissions to obtain research or brokerage services, it receives a benefit to the extent that the Company does not have to produce such products internally or compensate third-parties with its own money for the delivery of such services. Such benefits may create a conflict of interest that would incentivize the Company to select broker-dealers based on the value of the services they provide to the Company, rather than based on our clients' interest in receiving most favorable execution.

Within the last fiscal year, the Company has obtained the following products and services on a "soft-dollar" basis:

- Quotation services (including Bloomberg terminals) with related exchange fees
- Trade clearance and settlement services

- Economic, technical and statistical research relating to the energy industry and macroeconomic conditions
- Publications and periodicals relating directly to the energy industry

Some clients request directed brokerage for trades affected in their account. Directed brokerage is whenever a client requests that trades be executed by a specific broker-dealer. In such cases, the client will negotiate terms directly with the specified broker-dealer, and the Company will not seek better execution services or prices from other broker-dealers and will be unable to bunch the client's trades with trades made on behalf of the Company's other clients. As a result, a client that directs brokerage with respect to their account may pay higher commissions or other transaction costs or receive less favorable net prices on transactions for their account.

The Company will attempt to aggregate or bunch orders for the purchase or sale of a particular security on behalf of various clients whenever it is possible and advantageous to 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 (and transaction costs) 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 initial public offerings (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.

Item 13 ó REVIEW OF ACCOUNTS

While the underlying securities held in client accounts are continuously monitored, individual client accounts are reviewed at least monthly by Doug Hohertz (Chief Investment Officer) and/or Anthony Montano (Vice Presidentô Investments). Each account is reviewed in the context of clientø investment objectives and guidelines as well as specific client portfolio constraints. More frequent reviews may be triggered by material changes in, among other things, clientø investment objectives and/or guidelines, macroeconomic or energy industry outlook, market conditions, energy prices, domestic or international political risks or company earnings or outlook.

A written report is provided to each client after the end of each calendar quarter. This report summarizes investment performance, transactions and position holdings (including cost and market value of each security held in the portfolio). In addition, an Economic and Market Review is prepared and provided to each client quarterly. Certain of the Companyø clients receive more frequent and/or more detailed periodic reports.

Item 14 ó CLIENT REFERRALS AND OTHER COMPENSATION

The Company has numerous sources of client referrals, including current clients, business associates and other advisory firms. The Company does not offer or accept any form of compensation for referrals of prospective clients to the firm.

Item 15 ó CUSTODY

The Company does not have custody over any client assets or provide any custodial services. The Company requires that a qualified custodian, usually a bank or brokerage firm, maintain custody over all assets managed by the firm.

Before the Company will execute any trades on behalf of a client, the client must first establish an account with a qualified custodian. If a client needs assistance in selecting a custodian, the Company will make suggestions, taking into consideration, among other things, the cost and the perceived quality of the custodial services.

The Company urges every client to compare the quarterly report provided by the Company with the account statement received from client's qualified custodian to verify that all account transactions, holdings and values are accurate. We urge every client to notify us immediately if they find discrepancies between the Company's report and the custodian's account statement. For tax purposes, the account statement a client receives from their custodian is the official record of transactions undertaken by, and securities held in, client's account.

Item 16 6 INVESTMENT DISCRETION

The Company will agree to manage client assets on a fully discretionary basis or a limited discretionary basis. As of December 31, 2013, all of our clients had granted us full discretionary authority to manage the investment of the assets in their accounts.

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 summary 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, guidelines and restrictions; and
- Other pertinent information, including matters relating to compensation and termination.

The Company's investment advisory agreement permits the Company to manage and trade the client's assets on a fully discretionary basis. Custodians often ask the client and the Company to sign limited or special powers of attorney explicitly giving such rights to the Company.

With full discretionary authority, the Company is permitted to take a number of actions without obtaining the client's consent, including the following actions:

- Choosing which securities to buy or sell;
- Determining the total amount of securities to buy or sell, subject to available funds;
- Selecting the broker-dealer through which to buy or sell securities; and
- Negotiating with the selected broker-dealers 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 unrestricted. 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 or securities or that prohibit holding cash in excess of certain thresholds.

In certain instances, the firm's discretion to determine the broker-dealer 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, the client may direct the firm to use a particular broker-dealer to purchase or sell securities in the client's 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 6 VOTING CLIENT SECURITIES

The Company generally votes proxies with respect to the securities held in client accounts. However, clients always have the right to vote their proxies. Clients can exercise this right by instructing the Company in writing to not vote proxies in their account or by contacting their custodian and/or broker-dealer in order to arrange to vote their account proxies.

With respect to proxies it does vote, the Company has adopted a policy of voting all proxies in accordance with its best judgment concerning the economic long-term best interests of the client owning the securities. To avoid any conflict of interest, Company employees are prohibited from participating in the proxy voting process with respect to any security if that employee (i) is an officer or director of the issuer of that security, (ii) beneficially owns 5% or more of the outstanding securities of any class of the issuer of that security or (iii) is 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 (i) retains copies of its Proxy Policy and proxy voting procedures, (ii) retains or causes to be retained copies of all proxy statements received regarding client securities, (iii) retains or causes to be retained records of votes cast on behalf of clients, (iv) retains records of all client requests for proxy voting information and (v) retains any documents 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 by obtaining a copy of the relevant proxy statement from the EDGAR system. The Company generally satisfies the requirement of retaining records of votes cast through the use of a third party to make and retain, on the Company's behalf, a record of the votes cast.

This Proxy Policy, as well as information on how the Company has voted with respect to securities held by clients, is available to clients. A client may obtain a copy of the Company's Proxy Policy and/or information related to the vote cast by the Company with respect to securities held by such client at any time by calling 713-759-2070 or by emailing at client@tmgenenergy.com.

Item 18 ó FINANCIAL INFORMATION

The firm is well capitalized and has no financial commitments or impairments that would prevent it from meeting all of its contractual and fiduciary commitments to clients. The Company has never been the subject of a bankruptcy proceeding.