

Item 1 Cover Page



MCELHENNY SHEFFIELD
CAPITAL MANAGEMENT

FIRM BROCHURE

MCELHENNY SCHEFFIELD CAPITAL MANAGEMENT, LLC

4311 W. Lovers Lane, Suite 101
Dallas, Texas 75209
(214) 922-9200
bruce@mscm.net
www.mscm.net

This brochure provides information about the qualifications and business practices of McElhenny Scheffield Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at (214) 922-9200. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about McElhenny Scheffield Capital Management, LLC is also available on the SEC’s website at www.adviserinfo.sec.gov.

January 30, 2015

Item 2 Material Changes

This is an other-than-annual amendment to our brochure. Since our last annual update to our brochure dated March 31, 2014, we no longer have an investment adviser representative who is dually registered with Girard Securities, Inc., a broker-dealer, and thus, we no longer have a supervised person who receives compensation for the sale of securities or other investment products. Our next annual update to our brochure will discuss all material changes since our annual amendment dated March 31, 2014.

This disclosure brochure filing will either be delivered, or offered for delivery, to clients. A copy may also be downloaded from the SEC's website at www.adviserinfo.sec.gov.

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Item 4 Advisory Business

McElhenny Scheffield Capital Management, LLC (“**MSCM**”) or (the “**Adviser**”) is a Texas limited liability company and has its principal place of business in Dallas, Texas. MSCM was formed and has been in business since 2000. MSCM acts as the investment manager to separately managed accounts for high net worth individuals, businesses and other institutions or entities.

MSCM is wholly owned by its founder, Bruce M. Fraser Jr. and his family. Mr. Fraser (the “**Principal**”) is the managing member of MSCM.

MSCM pursues its investment strategies through separately managed accounts. The accounts managed by MSCM are generally referred to as an “Account” and collectively as the “Accounts.” MSCM has discretion with respect to investment decisions made for the Accounts. MSCM provides investment advisory services to the Accounts based on the particular investment objectives, guidelines, restrictions and other information provided by the investment advisory client (“**Client**”) to MSCM and pursuant to an Investment Management Agreement with the Client (“**IMA**”).

As of March 1, 2014, MSCM had \$170,308,000 in assets under management on a discretionary basis. MSCM does not generally advise Clients on a non-discretionary basis, however, discretionary authority may be subject to limitations set forth in the Client’s IMA.

Item 5 Fees and Compensation

A. Fees and Compensation

1. Management Fee

Our standard investment management agreement (“IMA”) provides for a management fee (“**Management Fee**”) of 1.5% per annum of the value of the account subject to the IMA (the “Client Account”). One-twelfth (1/12) of the annual Management Fee will be debited against each Client Account at the beginning of each month. The Adviser may, in its sole discretion, reduce or waive all or any part of the Management Fee at any time. Management Fees are negotiable.

2. Performance Fee

Our standard IMA does not provide for a performance fee. For clients selling or writing covered calls within our concentrated position management program (offered to clients with large single stock positions accumulated prior to their relationship with the Adviser), the Adviser may charge a quarterly performance fee, subject to a high water mark. With respect to that strategy, performance fees will be based on the net option premium income generated in the client’s portfolio during the quarter. The performance fee will apply to closed and expired positions only. If the net option premium income results in a net realized loss for the quarter, that loss will be netted against future option premium income before a subsequent performance fee is assessed on such future option premium income. In situations where the Adviser is providing sub advisory services to an adviser that charges its clients a performance fee, the Adviser will receive a percentage of the performance fee received by the primary adviser. These fees are negotiable. The performance fee charged by the primary adviser may be as much as 20%, of which the Adviser will receive a percentage. Clients may prefer this performance fee approach on a covered call selling program in the event where they do not want a fee charged unless additive income/gains are achieved with the covered call program being deployed.

The Adviser may, in its sole discretion, waive all or any part of the performance or Management Fee at any time.

Management Fees are negotiable based on the strategy.

Clients will only be charged a performance fee if they meet the definition of “qualified client” as defined in Rule 205-3 under the Investment Advisers Act of 1940.

B. How Fees Are Collected

MSCM will direct the custodian of each Client Account to withdraw funds to pay MSCM’s fees.

C. Other Fees or Expenses

Client Accounts will bear their own expenses, including but not limited to, transaction, exchange, wire transfer, and margin interest expenses.

D. Advance Payment

Management Fees will be deducted from Client Accounts at the beginning of each month. If an IMA is terminated prior to the end of the billing period, the Adviser will refund any prepaid fee on a prorated basis (expected to be calculated using the value of the Client's investment on the last day of the immediately-previous billing period).

E. Compensation for Sales of Securities

Neither MSCM nor any of its supervised persons accept compensation for the sale of securities or other investment products.

Item 6 Performance-Based Fees and Side-By-Side Management

As explained above, Adviser may receive performance-based fees with respect to certain strategies. Adviser manages both accounts that are charged a performance fee and accounts that are not charged a performance fee. The Adviser may have an incentive to favor accounts that are charged a performance fee, however, Adviser believes this does not create a conflict of interest because accounts that are charged a performance fee are not using the same strategy as those that are not charged a performance fee.

Charging a performance fee may create an incentive for Adviser to make investments that are riskier or more speculative than would be the case in the absence of a fee based on the performance of the Account.

Item 7 Types of Clients

MSCM provides investment advisory services to separately managed accounts. Clients may include individuals, high net worth individuals, corporations and other businesses, trusts, or other entities. The Accounts will be managed in accordance with the investment objectives, guidelines, restrictions and other information provided by Client to the Adviser in the Suitability Questionnaire, which is included in the IMA. MSCM, in its sole discretion, may manage Client Accounts with different objectives, higher or lower fees and different fee structures than what is described in this brochure.

Clients are required to complete and submit an investment management agreement and suitability questionnaire.

MSCM may charge clients a performance fee with respect to certain strategies, such as MSCM's covered call program for concentrated position management. However, to comply with SEC Rule 205-3, MSCM will only charge clients who are "qualified clients" a performance fee.

A client is a "qualified client" if it meets any of the following criteria:

- (a) the client, after entering into the contract, has at least \$1,000,000 under the adviser's management;
- (b) the adviser reasonably believes, immediately prior to entering into the contract, that the client has a net worth (which, in the case of a natural person, may include assets held jointly by the client with his or her spouse) in excess of \$2,000,000;
- (c) the client is a "qualified purchaser" as defined under Section 2(a)(51)(A) of the Investment Company Act of 1940;
- (d) the client is an executive officer, director, trustee, general partner, or person serving in a similar capacity, of the adviser; or
- (e) the client is an employee of the adviser (other than an employee performing solely clerical, secretarial or administrative functions) who, in connection with his or her regular functions or duties, participates in the adviser's investment activities, provided that such employee has been performing such functions or duties for or on behalf of the adviser, or substantially similar functions or duties for or on behalf of the adviser for at least twelve (12) months.

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

MSCM provides investment advisory services to the Accounts based on the investment objectives, guidelines, restrictions and other information provided by Client.

The overall objective in managing the Accounts is to seek to achieve capital appreciation by investing in and trading securities consisting of equity and equity related securities that are publicly traded on U.S. exchanges. MSCM may invest in a wide range of securities and other financial instruments including but not limited to exchange listed and over-the-counter equity securities, preferred stocks, convertible securities, exchange-traded funds, warrants, rights, options, corporate and municipal debt securities and U.S. government securities. Accounts managed by MSCM may own long positions and sell short positions.

MSCM may use a variety of methods of investment analysis including fundamental, technical and cyclical analysis.

All investments in securities include a risk of loss of a Client's principal investment as well as any previously realized or unrealized profits. Stock and bond markets fluctuate substantially over time. In addition to market risk, certain other risk factors may affect the performance of the Clients Account over time including: interest rate risk, inflation risk, currency risk, liquidity risk and sociopolitical risk among others.

Item 9 Disciplinary Information

MSCM has no legal or disciplinary events that are material to a Client's or a prospective Client's evaluation of this advisory business or the integrity of the management to disclose.

Item 10 Other Financial Industry Activities and Affiliations

A. Broker-Dealer Registration

Neither MSCM nor the Principal is registered as broker-dealer or registered representative of a broker-dealer, nor does it have any pending application to register.

B. Futures and Commodities Registration

Neither MSCM nor the Principal is registered as a futures commission merchant, commodity pool operator, commodity trading advisor, or associated party of any of those, nor does it have any pending application to register as such.

C. Related Persons

Neither MSCM nor its Principal has any relationships that are material to MSCM's advisory business or to its Clients with any related person listed below:

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; or
11. sponsor or syndicator of limited partnerships.

D. Conflicts of Interest

MSCM is not compensated for recommending or selecting other investment advisers for its clients. MSCM also has no other business relationships with any advisers that create any material conflict of interest.

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

A. Code of Ethics and Personal Trading Policy

MSCM has adopted a code of ethics and personal trading policy (“**Code of Ethics**”) in furtherance of its compliance with applicable laws that applies to all of its partners, officers, directors (or other person occupying a similar status or performing similar functions), employees, and investment adviser representatives as well as to any other person who provides investment advice on behalf of the Adviser and who is subject to the Adviser’s supervision and control (collectively, our “supervised persons”). MSCM prohibits our supervised persons from using or attempting to use their position at MSCM to obtain improper benefits for themselves or any other person.

MSCM’s Code of Ethics permits our supervised persons to invest for their personal accounts, subject to certain guidelines and restrictions. All personal securities transactions by our supervised persons must be conducted in accordance with the requirements of MSCM’s Code of Ethics. Among other things, MSCM’s policies require that certain personal securities transactions by supervised persons be approved in advance by MSCM’s compliance department. Supervised persons must report certain personal securities holdings upon employment and periodically thereafter and arrange for certain duplicate confirmations and account statements to be sent to MSCM’s compliance department.

MSCM’s Code of Ethics prohibits supervised persons from trading while in possession of information concerning trades for Client Accounts, also called “front-running”.

MSCM has also adopted policies and procedures designed to prevent supervised persons from being unduly influenced in their decisions by receipt of gifts, entertainment or other inducements by third parties, such as trading counterparties, vendors or investors. MSCM will provide a copy of its Code of Ethics to any investor or prospective investor upon request.

B. Outside Activities

MSCM supervised persons are required to disclose any outside business activities that may create a conflict of interest between the supervised person’s interests and those of MSCM’s Clients.

C. Insider Trading

By reason of MSCM’s or its related person’s business or investment activities, such may acquire confidential information or otherwise be restricted in their investment activities, and, in such event, MSCM and such related persons may not be free to act upon such confidential information. Due to such confidential information or restrictions, MSCM may not initiate a transaction for an account that MSCM may otherwise have initiated, and the Client Account may, as a result, be required to maintain a position that it otherwise might have sold, or be required to refrain from acquiring a position that it otherwise may have acquired.

D. Participation or Interest in Client Transactions and Personal Trading

Subject to satisfying MSCM's Code of Ethics and other applicable laws, supervised persons of MSCM may trade for their own accounts in securities that are recommended to and/or purchased for Clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our supervised persons will not interfere with (i) making decisions in the best interest of Clients and (ii) implementing such decisions while, at the same time, allowing supervised persons to invest for their own accounts.

Item 12 Brokerage Practices

A. Selecting and Recommending Broker-Dealers

MSCM is authorized to make the following determinations in accordance with each client's objectives and restrictions without obtaining prior consent from the client: (1) which securities or instruments to buy or sell; (2) the total amount of securities or instruments to buy or sell; and (3) the executing broker or dealer for any transaction.

MSCM typically recommends to clients that they establish their securities account(s) ("**Accounts**") with TD Ameritrade Institutional ("**TD Ameritrade**") or through the Raymond James Investment Adviser Division ("**RJ IAD**"). MSCM recommends these qualified custodians based on reputation, financial strength and stability, and the efficiency of execution provided by their affiliated broker dealers. MSCM believes that using a broker-dealer affiliated with these custodians allows for MSCM to achieve best execution for its Clients, but there is no guarantee that this results in the lowest cost.

In choosing these affiliated brokers to execute trades, MSCM may consider a number of factors, including, for example, net price, reputation, financial strength and stability, efficiency of execution and error resolution, block trading and block positioning capabilities, willingness to execute related or unrelated difficult transactions in the future and other matters involved in the receipt of brokerage services generally.

MSCM is not affiliated with TD Ameritrade or RJ IAD. TD Ameritrade and RJ IAD offer various services to MSCM, which may include custody of securities, trade execution and clearance and settlement of transactions. MSCM may receive some benefits from TD Ameritrade or RJ through its participation in the program, which may benefit some or all Clients of MSCM.

1. Research and Other Soft Dollar Benefits

MSCM does not currently receive or anticipate receiving research or other soft dollar benefits from brokers or third parties in connection with Client securities transactions. If this were to change in the future, MSCM would develop policies and procedures to address and manage the potential conflicts of interest that receiving such benefits could create.

2. Brokerage for Client Referrals

MSCM does not receive client referrals from a broker-dealer or third party. Thus, MSCM does not have an incentive to select or recommend a broker-dealer based upon its interest in receiving client referrals. Instead, MSCM will recommend a broker-dealer based upon its Clients' interest in receiving the most favorable execution as well as other factors.

3. Directed Brokerage

MSCM does not permit Clients to direct brokerage away from their Account.

B. Aggregation of Orders

When possible, MSCM will aggregate the purchase or sale of securities for various Client accounts. When trades are aggregated, the average execution price will be applied to each participating Client Account. Additionally, this aggregation should lead to lower transactional costs, thereby saving the Clients money.

Item 13 Review of Accounts

A. Review of Client Accounts

The Principal or another management person of the Adviser will periodically review the Client Accounts for risk, performance, and suitability.

B. Frequency of Review

Such review will be done on a quarterly basis.

C. Content and Frequency of Regular Reports

The custodian of the Accounts will provide the Clients with monthly unaudited performance information.

Item 14 Client Referrals and Other Compensation

A. Other Compensation

No person, other than each Client, provides an economic benefit to MSCM in exchange for providing investment advice or other advisory services to such Client.

B. Third Party Solicitors

MSCM has not entered nor does it plan on entering into any agreement with a solicitor that provides for compensation to be paid to such solicitor for referring Clients to MSCM.

Item 15 Custody

MSCM may be deemed to have custody of Client Accounts because MSCM is authorized to direct the custodian of the Account to withdraw funds to pay MSCM's fees. All Client funds and securities are maintained with a qualified custodian. MSCM participates in the TD Ameritrade and RJ IAD platforms and typically recommends to Clients that they establish their brokerage account(s) at TD Ameritrade Institutional or a broker-dealer affiliated with RJ IAD. TD Ameritrade and RJ IAD are independent and unaffiliated SEC-registered broker-dealers and FINRA members. TD Ameritrade and RJ IAD offer various services to independent investment advisors, which may include custody of securities, trade execution and clearance and settlement of transactions.

The assets of each Client Account shall be held by the broker-dealer or other entity designated and appointed by Client as custodian of the Account (the "**Custodian**") pursuant to a custody or account agreement that is mutually acceptable to Adviser and Client. The Custodian shall at all times be responsible for the physical custody of the assets of the Account; for the collection of interest, dividends and other income attributable to the assets of the Account; and for the exercise of rights and tenders on assets of the Account. Adviser shall not be responsible for any loss incurred by reason of any act or omission of Custodian.

Adviser may issue such instructions to Custodian as may be appropriate in connection with the settlement of transactions initiated by Adviser.

Clients will receive brokerage statements no less than quarterly from the Custodian of the Account, TD Ameritrade or RJ IAD. Clients should carefully review those statements.

Item 16 Investment Discretion

Subject to any limitations set forth in the IMA and only during the term of IMA, MSCM shall have full discretionary power and authority, without prior consultation with or notification of Client, to buy, sell (including short sales), exchange, convert and otherwise trade in securities of every kind and nature, including, without limitation, equities, bonds, notes, debentures, trust receipts, financial futures contracts, over-the-counter derivative instruments, commodities, commodities futures, exchange traded funds, securities of foreign issues (including American Depositary Receipts) and other securities of whatever kind or nature of any person, corporation, government or entity, whether readily marketable or not, and rights and options relating thereto, including put and call options written by the Account or by others, on margin or otherwise, for such prices and on such terms as MSCM, in its sole discretion, deems advisable and in the best interests of Client.

Client shall furnish Adviser with all additional powers of attorney and other documentation, if any, necessary to appoint Adviser as agent and attorney-in-fact with respect to the Account, but such powers shall not be construed to authorize Adviser to take any action not authorized by this Agreement. Notwithstanding the foregoing, Adviser is NOT granted the power or authority to (i) buy, sell, exchange, convert or otherwise trade investment instruments in any other account of Client, (ii) buy, sell, exchange, convert or otherwise trade investment instruments in the Account other than as provided in this Agreement or (iii) transfer any funds or investment instruments from the Account to any other account.

Item 17 Voting Client Securities

Client shall retain all authority to vote securities held in or for the Account. Adviser will cooperate with Client as necessary in notifying the Custodian or broker-dealers where Client's securities are held to forward proxy statements, proxies and other information to Client.

Item 18 Financial Information

A. Prepayments

MSCM does not require or solicit prepayment of more than \$1,200 in fees per Client, six months or more in advance.

B. Potential Financial Impairment

There is currently no financial condition which is reasonably likely to impair MSCM's ability to meet its contractual commitments to its Clients.

C. Bankruptcy

MSCM has never been the subject of a bankruptcy petition.