

## **Valued Retirements, Inc.**

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January 19, 2012

This brochure provides information about the qualifications and business practices of Valued Retirements, Inc. which also uses “Valued Retirements” as a business name.

If you have any questions about the contents of this brochure, please contact us at 713-821-3242 and/or [amsande@swbell.net](mailto:amsande@swbell.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 Valued Retirements, Inc. also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Material Changes**

The last update to the brochure was December 2011 reflecting a request for change in regulatory registration from the SEC to the State of Texas.

This update reflects clarifications for the State of Texas as well as the annual update.

The last annual update of this brochure was March 29, 2011.

## Table of Contents

Advisory Business .....	1
Fees and Compensation .....	2
Performance-Based Fees and Side-By-Side Management .....	3
Types of Clients .....	3
Methods of Analysis, Investment Strategies and Risk of Loss.....	3
Disciplinary Information.....	4
Other Financial Industry Activities and Affiliations .....	4
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	5
Brokerage Practices.....	6
Review of Accounts.....	6
Client Referrals and Other Compensation .....	7
Custody .....	7
Investment Discretion.....	7
Voting Client Securities .....	7
Financial Information.....	8
Requirements for State-Registered Advisors.....	8
Brochure Supplement (Part 2B of Form ADV) .....	9

## ADVISORY BUSINESS

### Advisory Firm Description

Valued Retirements, Inc. (doing business as Valued Retirements) has been in business since April 7, 1999. The principal owner is Alfred M. Sanders, Jr. Valued Retirements is not affiliated with any other businesses as an owner or subsidiary.

### Types of Advisory Services

We provide primarily financial planning and investment management services. As an independent, fee-only firm, we do not receive commissions on the sale of securities, insurance, or any other financial product. We adhere to a fiduciary level of care, always placing our clients' interests first.

### Financial Planning Services

We work with the client to define and understand personal and financial goals, objectives, and priorities including the needs for income and growth of financial assets. We analyze and evaluate the goals, needs, and priorities to determine if the client's current resources and a workable course of action can be established, producing a written plan. We create with the client a written investment policy statement including goals and objectives, risk tolerance, time horizon, and associated performance measurements. At this point we typically enter into an agreement with the client to provide investment management services. The client's financial plan will be updated from time to time based on changes in client's circumstances, objectives, priorities, and other factors.

### Investment Management Services

*Independent and Professional Management:* Individuals who lack the time and expertise to manage their money entrust in us that responsibility in order to reduce risk and increase investment opportunities. With Valued Retirements' compensation being primarily a fee based on the value of the client's accounts, the overall objectives of the client and Valued Retirements are often aligned – to protect and grow the portfolio. Our independence and objectivity are focused on providing continuous supervision and diversification of portfolios with discipline.

We create a customized portfolio for each client, based on the written investment policy statement. We place trades in the client's portfolio, monitor the portfolio holdings on a regular basis, and make changes as appropriate according to market conditions, security prices, and our outlook on the economy.

### Tailored Advisory Services

Clients may restrict Valued Retirements from purchasing or selling certain securities on their behalf in the investment policy statement. These restrictions may be changed at any time.

## Assets Under Management

As of 12/31/2011, Valued Retirements had 27 clients and the following total assets under management:

Discretionary	\$42,154,002
Non Discretionary	\$ 2,414,445

## FEES AND COMPENSATION

Valued Retirement's investment management fees are calculated quarterly based on the market value of the assets as of the last business day of the preceding calendar quarter. Fees are charged quarterly, in arrears, and are deducted from the accounts unless the clients have requested separate billing, in which case fees are due within 15 days of the billing date. Advisory fees may be tax deductible subject to Internal Revenue Regulations. In any partial quarter, the fee is prorated based on the number of days the agreement is in force. Fees for investment management services are set forth below and may be adjusted upon the provision of thirty days written notice to the client.

Actively Managed Portfolio Amount	Annual Fee
First \$250,000	1.0%
Next \$750,000	0.7%
Above \$1,000,000	0.5%
Limited Trading Securities	0.35%

Most fees are charged based on asset value as described above or, occasionally, on a project or retainer basis. Retainers or project based fees are negotiated depending upon the requirements of the client or project and are fully defined in an agreement at the time. All fees are negotiable in certain circumstances and fees may vary from client to client. Each client agreement defines the fee which Valued Retirement will charge.

The fee Valued Retirements charges is in addition to transaction, exchange, wire or custodial fees the account custodian may charge. When Valued Retirements recommends a mutual fund for a client's account, three separate fees may be charged to the client, either directly or indirectly. The first fee is Valued Retirements' investment management fee where the fund is included in the asset base for the quarterly fee calculation. The second is the set of internal fees charged by the investment company for the fund's investment management, marketing, administration and marketing assistance. These internal expenses are disclosed in each fund's prospectus which is provided to each client by the custodian. (This set of fees also applies to any money market fund purchased in the client's account.) The third fee may be a transaction fee which is assessed by the custodian for its service of providing access to a universe of mutual fund families through one account. To avoid such fees a client would be required to open a separate account with each individual mutual fund company instead of using the custodian recommended by Valued Retirements, which would also negatively affect Valued Retirements' ability to deliver its services efficiently. Not all mutual fund trades enacted by Valued Retirements incur a transaction fee.

We generally recommend no-load mutual funds or funds in which the loads are waived.

Clients may also incur “account Termination Fees” upon the transfer of an account from one brokerage firm (custodian) to another.

Valued Retirements sometimes provide other services to individuals, non-profit, educational, or community organizations in the areas of fundraising or planned giving. Such services are provided based upon a pre-agreed upon fee prior to services being rendered. These experiences enhance the knowledge of our employees, potentially benefiting clients who are provided advisory services.

## **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Valued Retirements does not charge performance based fees so this section does not apply.

## **TYPES OF CLIENTS**

The primary client of Valued Retirements is an individual or a couple. The primary services provided such clients are financial planning and investment management services. In addition to investment management services, we will often provide limited advice related to tax planning, college planning, retirement planning, life planning, and charitable giving and gifting as a part of financial planning services. Where needed we may recommend other professionals to clients at their request.

On a very limited basis, we provide advice to trusts, estates or charitable organizations. The primary services are associated with investment management, fundraising or planned giving.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### *Investment Policy Statement*

Initially we gather the facts about the client’s financial situation, estate planning, tax planning, short-term and long-term lifetime financial goals and objectives, investment time horizon, and the perceived current tolerance for risk. We then prepare and agree to an Investment Policy Statement which becomes the guidance for our relationship and the management of the client’s portfolio.

### *Methods of Analysis and Investment Strategies*

Our security analysis is based on a number of factors including:

- Fundamental Analysis of financial attributes of a company, industry or fund, such as revenue growth, debt-to-equity ratio, price-to-earnings ratio, inventory turnover, etc.
- Technical Analysis which assumes past performance is a predictor of future performance
- Cyclical Analysis based on business, industry, calendar or historical cycles

We also use our own methods to help choose from the best alternatives we have identified. Our investment program stresses diversified asset allocation to reduce risks. We manage portfolios with the twin objectives of enhancing targeted returns and reducing the risk necessary to achieve the returns. Growth, value, blend, and momentum investment styles are employed within the portfolio. Both styles and asset classes have their own bull and bear market characteristics. The relative short-term attractiveness of the different asset classes and styles can affect the mix of the portfolios.

#### *Types of Investments*

The primary investments included in portfolios are mutual funds of equity and fixed income holdings, exchange traded funds (ETFs), publicly traded real estate investment trusts (REITS), publicly traded master limited partnerships (MLPs), money market funds, other cash equivalents, and sometimes individual stocks.

#### *Sources of Information*

The main sources of information used in analysis include commercially available investment information and evaluation services, financial newspapers and journals, newsletters and periodicals. Prospectuses and data aggregations services like Morningstar are also key sources. From time to time custodians provide research, white papers, compliance information and conferences that provide valuable information.

#### *Risks of Loss*

Valued Retirements does not guarantee the future performance of any accounts or any specific level of performance, the success of any investment decisions or strategies used, or the success of the overall management of accounts. We inform clients that investment decisions are subject to various market, currency, economic, political, and business risks that can result in loss of principal. Each client portfolio is designed with the risk of loss in mind and reflects the client's risk tolerance. Investing in securities involves risk of loss that clients should be prepared to bear.

### **DISCIPLINARY INFORMATION**

Valued Retirements and its employees have no incidents of legal or disciplinary action.

### **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Valued Retirements and its employees have no financial affiliations or relationships with other financial entities other than service providers.

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

### **Code of Ethics**

Valued Retirements (“the Firm”) has adopted a Code of Ethics which describes the general standards of conduct that the Firm expects of all Firm personnel (collectively referred to as “employees”) and focuses on three specific areas where employee conduct has the potential to adversely affect the client: misuse of confidential information; personal securities trading and outside business activities. Failure to uphold the Code of Ethics may result in disciplinary sanctions, including termination from the Firm. Any client or prospective client may request a copy of the Firm’s Code of Ethics which will be provided at no cost.

The following basic principles guide all aspects of the Firm’s business and represent the minimum requirements to which the Firm expects employees to adhere:

- The interests of the Clients come before employees’ personal interests and before the Firm’s interests.
- The Firm must fully disclose all material facts about conflicts of which it is aware between the Firm and its employees’ interests on the one hand and clients’ on the other.
- The Firm and its employees must not take inappropriate advantage of their positions of trust with or responsibility to clients.
- The Firm and its employees must always comply with all applicable securities laws.

### **Misuse of Nonpublic Information**

The Code of Ethics contains a policy against the use of nonpublic information in conducting business for the Firm. Employees may not convey nonpublic information nor depend upon it in placing any securities trades.

### **Personal Securities Trading**

Valued Retirements or individuals associated with the Firm may buy, sell or hold in their personal accounts the same securities the Firm recommends to its clients. Such trades may occur on the next day after trades in client accounts or later.

Employees are required to submit reports of personal securities trades on a quarterly basis, and securities holdings annually. These are reviewed by the Chief Compliance Officer to ensure compliance with the Firm’s policies.

### **Outside Business Activities**

Employees are required to report any outside business activities generating revenue. If any are deemed to be in conflict with clients, such conflicts will be fully disclosed or the employee will be directed to cease such activity.



## **BROKERAGE PRACTICES**

Valued Retirements recognizes its fiduciary duty to obtain best execution for its clients, defining best execution as the range of mutual funds available, quality and availability of service staff, discounted fees, financial stability of the custodian, best price execution, and providing clients with electronic access to account information. Valued Retirements usually enacts trades through the custodian holding the assets in order to minimize trade fees.

### **Research and Other Soft-Dollar Benefits**

Valued Retirements has no formal soft dollar arrangements, where commission dollars generated by client trades help pay for services used by the firm. Valued Retirements receives no direct economic benefit (including commissions, equipment, or non-research services) from any party in connection with clients' accounts. Custodians provide our employees with access to institutional trading and custody services, which are typically not available to retail investors. Custodians of the Firms clients' accounts may also provide Valued Retirements and its employees with educational, practice management, and compliance materials such as newsletters and seminars, creating a potential conflict of interest with clients.

### **Brokerage for Client Referrals**

Valued Retirements does not receive client referrals from any brokerage firms.

### **Directed Brokerage**

Valued Retirements prefers to custody client assets at one discount brokerage firm, TD Ameritrade Institutional. It has transaction fees and commissions that are generally in line with those of other discount brokers. We will, however work with certain other brokerage firms where appropriate to meet a particular client's specific needs or desires.

### **Order Aggregation**

Valued Retirements does not typically aggregate trades for its clients. This is due to the fact that all trade decisions are reviewed with respect to overall portfolio strategy and tax efficiency. Also, TD Ameritrade charges transaction fees at the account level so a cost advantage for blocked trades is not available

## **REVIEW OF ACCOUNTS**

Once initial assets have been invested in accordance with the client's investment policy statement, we routinely review the portfolio's performance. The individual mutual funds and other securities are continuously monitored to ensure that managers continue to provide the performance for which they were selected. Carefully considered changes in individual investments are based on such factors as changes in key management personnel, faltering relative performance, or changes in client's circumstances.

Typically, on a quarterly basis, we provide a written Portfolio Performance Analysis which is designed to help clients evaluate the progress of the portfolio. The report shows performance

of each position, performance of market indexes, as well as overall portfolio performance. This report is usually accompanied by a tailored cover letter as well as Valued Retirement's invoice for services for the period.

Alfred Marsh Sanders Jr., President and Chief Compliance Officer (CCO), and Bharat Bhakta Shrestha, Managing Director, provide the reviews of the accounts.

## **CLIENT REFERRALS AND OTHER COMPENSATION**

No one is paid for referring potential clients to Valued Retirements. From time to time, we do refer clients to legal, insurance, and accounting professionals and those professionals also refer clients to Valued Retirements. No compensation results from such referrals.

## **CUSTODY**

Custody is defined as having access to client funds or securities. Valued Retirements has custody of client funds only to the extent that clients grant the Firm authority to direct the account custodian to deduct the investment management fee from the clients' accounts.

Custodians such as TD Ameritrade have custody of the assets. Custodians of client's accounts typically send detailed written monthly statements directly to clients. These reports typically detail transactions since the last statement including fees paid to Valued Retirements, indicate dividends and interest credited, and show positions held on the date of the report.

Valued Retirements states on the Portfolio Performance Analysis Report that the "Client should compare account statements received from the custodians to those received from the adviser." If the client finds significant discrepancies, the custodian and Valued Retirements should be notified.

## **INVESTMENT DISCRETION**

Most clients give Valued Retirements discretionary authority to select investments and decide the amounts to buy and sell for the client. We place trades in client accounts using a limited power of attorney which gives the firm authority to determine which and how much of each security to be bought or sold without receiving permission from the client prior to making each trade.

## **VOTING CLIENT SECURITIES**

We do not vote proxies for securities held in client accounts. Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent (by email or US mail) for actions by the client. Clients may contact Valued Retirements with questions about a particular solicitation, but we do not suggest that much time be spent by the client on this activity, unless they wish to get personally involved.

## **FINANCIAL INFORMATION**

The requirement to produce financial information does not apply to Valued Retirements. No financial condition exists that might impair Valued Retirements' ability to meet its contractual obligation to its clients.

## **REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

Please see the brochure supplements for information regarding the Firm's owners, Alfred Marsh Sanders, Jr. and Bharat Bhakta Shrestha.

Nobody in the Firm has been involved in any arbitration claim or proceeding involving unethical practices.

The Firm does not have any relationships or arrangements with any issuer of securities.

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January 19, 2012

This brochure supplement provides information about Alfred Marsh Sanders, Jr. that supplements the Valued Retirements, Inc. brochure. You should have received a copy of that brochure. Please contact Alfred M. Sanders Jr. at 713-821-3242 if you did not receive Valued Retirement's brochure or if you have any questions about the contents of this supplement.

Additional information about Alfred M. Sanders Jr. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

### **Alfred Marsh Sanders Jr., CFP<sup>®</sup>, Born 1942 in Rocky Mount, North Carolina**

#### *Business Background:*

Valued Retirements, Inc., President and Chief Compliance Officer, April 1999 - present

Self Employed, Consultant, July 1998 - March 1999

Exxon Corporation, Financial Executive, August 1968 - June 1998

#### *Education:*

University of Colorado – Boulder, BS in Mechanical Engineering, 1965

Purdue University, MS Industrial Administration, 1968

CFP<sup>®</sup> Certification, 1997

#### *Certified Financial Planner (CFP<sup>®</sup>) certification*

The CFP<sup>®</sup> certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP<sup>®</sup> certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education, (2) stringent code of conduct and standards of practice and (3) ethical requirements that govern professional engagements with clients.

To attain the right to use the CFP<sup>®</sup> marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary.
- Examination – Pass the comprehensive CFP<sup>®</sup> Certification Examination, a 10-hour exam.
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year).
- Ethics – Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP<sup>®</sup> professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP<sup>®</sup> marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years.
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*.

CFP<sup>®</sup> professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP<sup>®</sup> certification.

**DISCIPLINARY INFORMATION**

None

**OTHER BUSINESS ACTIVITIES**

Alfred M. Sanders Jr. serves on the Board of Directors of Spring Branch Human Resources Partnership, Inc. which does business as Spring Branch Family Development Center a 501(c)(3). His volunteer time at this non-profit, at his church and in the community takes him away from his business activities, but there are no other conflicts involved.

**ADDITIONAL COMPENSATION**

Pension from ExxonMobil Corporation and Social Security.

**SUPERVISION**

Self supervised.

**REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

Mr. Sanders has not been found liable in an arbitration claim, nor has he been found liable in a civil, self-regulatory organization, or administrative proceeding.

Mr. Sanders has not been the subject of a bankruptcy petition.

**Bharat Bhakta Shrestha  
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bbshrestha01@gmail.com**

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713-821-3242  
amsande@swbell.net**

January 19, 2012

This brochure supplement provides information about Bharat Bhakta Shrestha that supplements the Valued Retirements brochure. You should have received a copy of that brochure. Please contact Alfred Marsh Sanders Jr. at 713-821-3242 if you did not receive Valued Retirements' brochure or if you have any questions about the contents of this supplement.

Additional information about Bharat Bhakta Shrestha is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

**Bharat Bhakta Shrestha, Born 1947 in Kathmandu, Nepal**

*Business Background:*

Valued Retirements, Inc., Managing Director, August 2010 - present

Self Employed, Consultant, October 2009 - July 2010

ExxonMobil Corporation, Financial Planning and Analysis, September 1976 - September 2009

*Education:*

University of Detroit – Mercy, BS Civil Engineering, 1969

Massachusetts Institute of Technology, MS Civil Engineering, 1971

Columbia University, Masters of Business Administration, 1974

CFP® Courses Completed and Exam Passed 2009

Candidate for *Certified Financial Planner (CFP®)* certification **which is not yet granted to Mr. Shrestha**

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education, (2) stringent code of conduct and standards of practice and (3) ethical requirements that govern professional engagements with clients.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements **which Mr. Shrestha has not yet fulfilled:**

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary.
- Examination – Pass the comprehensive CFP® Certification Examination, a 10-hour exam.
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year).
- Ethics – Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years.
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.



**DISCIPLINARY INFORMATION**

None

**OTHER BUSINESS ACTIVITIES**

None

**ADDITIONAL COMPENSATION**

None

**SUPERVISION**

Alfred Marsh Sanders Jr., President and Chief Compliance Officer, at 713-821-3242 provides supervision of Bharat Bhakta Shrestha. All proposals to clients including investment policy statements, Retirement Plans, proposed portfolios and proposed changes to portfolios are reviewed prior to action. Actions taken are reviewed routinely.

**REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

Mr. Shrestha has not been found liable in an arbitration claim, nor has he been found liable in a civil, self-regulatory organization, or administrative proceeding.

Mr. Shrestha has not been the subject of a bankruptcy petition.