

FORM ADV**Part II - Page 1****Uniform Application for Investment Adviser Registration****OMB APPROVAL**

OMB Number: 3235-0049
Expires: July 31, 2008
Estimated average burden
hours per response. 9.402

Name of Investment Adviser: **Scholtz & Company, LLC.**

Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code:	Telephone number:
500 Fifth Avenue, Suite 2440	New York	NY	10110	(212)	812-4400

This part of Form ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any governmental authority.

Table of Contents

<u>Item Number</u>	<u>Item</u>	<u>Page</u>
1	Advisory Services and Fees	2
2	Types of Clients	2
3	Types of Investments	3
4	Methods of Analysis, Sources of Information and Investment Strategies	3
5	Education and Business Standards	4
6	Education and Business Background	4
7	Other Business Activities	4
8	Other Financial Industry Activities or Affiliations	4
9	Participation or Interest in Client Transactions	5
10	Conditions for Managing Accounts	5
11	Review of Accounts	5
12	Investment or Brokerage Discretion	6
13	Additional Compensation	6
14	Balance Sheet	6
	Continuation Sheet	Schedule F
	Balance Sheet, if required	Schedule G

(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form
are not required to respond unless the form displays a currently valid OMB control number.

1. A. Advisory Services and Fees. (check the applicable boxes) For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

Applicant:

- | | | | |
|-------------------------------------|---|----|---|
| <input checked="" type="checkbox"/> | (1) Provides investment supervisory services | 90 | % |
| <input checked="" type="checkbox"/> | (2) Manages investment advisory accounts not involving investment supervisory services | 10 | % |
| <input type="checkbox"/> | (3) Furnishes investment advice through consultations not included in either service described above | | % |
| <input type="checkbox"/> | (4) Issues periodicals about securities by subscription | | % |
| <input type="checkbox"/> | (5) Issues special reports about securities not included in any service described above | | % |
| <input type="checkbox"/> | (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities | | % |
| <input type="checkbox"/> | (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities | | % |
| <input type="checkbox"/> | (8) Provides a timing service | | % |
| <input type="checkbox"/> | (9) Furnishes advice about securities in any manner not described above | | % |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

B. Does applicant call any of the services it checked above financial planning or some similar term? Yes ☐ No ☒

C. Applicant offers investment advisory services for: (check all that apply)

- | | |
|---|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management | <input type="checkbox"/> (4) Subscription fees |
| <input type="checkbox"/> (2) Hourly charges | <input type="checkbox"/> (5) Commissions |
| <input type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input type="checkbox"/> (6) Other |

D. For each checked box in A above, describe on Schedule F:

the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee

applicant's basic fee schedule, how fees are charged and whether its fees are negotiable

when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. Types of clients - Applicant generally provides investment advice to: (check those that apply)

- | | |
|---|--|
| <input checked="" type="checkbox"/> A. Individuals | <input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations |
| <input type="checkbox"/> B. Banks or thrift institutions | <input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies | <input type="checkbox"/> G. Other (describe on Schedule F) |
| <input checked="" type="checkbox"/> D. Pension and profit sharing plans | |

3. Types of Investments. Applicant offers advice on the following: (check those that apply)

- | | |
|--|--|
| <input checked="" type="checkbox"/> A. Equity securities | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities | <input type="checkbox"/> I. Options contracts on: |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter | <input type="checkbox"/> (1) securities |
| <input checked="" type="checkbox"/> (3) foreign issuers | <input type="checkbox"/> (2) commodities |
| <input checked="" type="checkbox"/> B. Warrants | <input type="checkbox"/> J. Futures contracts on: |
| <input checked="" type="checkbox"/> C. Corporate debt securities (other than commercial paper) | <input type="checkbox"/> (1) tangibles |
| <input checked="" type="checkbox"/> D. Commercial paper | <input type="checkbox"/> (2) intangibles |
| <input checked="" type="checkbox"/> E. Certificates of deposit | <input type="checkbox"/> K. Interests in partnerships investing in: |
| <input checked="" type="checkbox"/> F. Municipal securities | <input type="checkbox"/> (1) real estate |
| <input type="checkbox"/> G. Investment company securities: | <input type="checkbox"/> (2) oil and gas interests |
| <input type="checkbox"/> (1) variable life insurance | <input type="checkbox"/> (3) other (explain on Schedule F) |
| <input type="checkbox"/> (2) variable annuities | <input type="checkbox"/> L. Other (explain on Schedule F) |
| <input checked="" type="checkbox"/> (3) mutual fund shares | |

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant's security analysis methods include: (check those that apply)

- | | |
|---|---|
| (1) <input checked="" type="checkbox"/> Charting | (4) <input checked="" type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input checked="" type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines | (5) <input checked="" type="checkbox"/> Timing services |
| (2) <input checked="" type="checkbox"/> Inspections of corporate activities | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases |
| (4) <input type="checkbox"/> Corporate rating services | (8) <input checked="" type="checkbox"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|--|--|
| (1) <input checked="" type="checkbox"/> Long term purchases
(securities held at least a year) | (5) <input type="checkbox"/> Margin transactions |
| (2) <input checked="" type="checkbox"/> Short term purchases
(securities sold within a year) | (6) <input type="checkbox"/> Option writing, including covered options,
uncovered options or spreading strategies |
| (3) <input type="checkbox"/> Trading (securities sold within 30 days) | (7) <input type="checkbox"/> Other (explain on Schedule F) |
| (4) <input type="checkbox"/> Short sales | |

5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? ☒ Yes ☐ No
(If yes, describe these standards on Schedule F.)

6. Education and Business Background.

For:

each member of the investment committee or group that determines general investment advice to be given to clients, or

if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)

each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

name

formal education after high school

year of birth

business background for the preceding five years

7. Other Business Activities. (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- | | |
|--|--|
| <input type="checkbox"/> (1) broker-dealer | <input type="checkbox"/> (7) accounting firm |
| <input type="checkbox"/> (2) investment company | <input type="checkbox"/> (8) law firm |
| <input type="checkbox"/> (3) other investment adviser | <input type="checkbox"/> (9) insurance company or agency |
| <input type="checkbox"/> (4) financial planning firm | <input type="checkbox"/> (10) pension consultant |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer |
| <input type="checkbox"/> (6) banking or thrift institution | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? . . ☐ Yes ☒ No

(If yes, describe on Schedule F the partnerships and what they invest in.)

9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

10. Conditions for Managing Accounts. Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account?

Yes	No
<input checked="" type="checkbox"/>	<input type="checkbox"/>

(If yes, describe on Schedule F)

11. Review of Accounts. If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

Accounts are to be reviewed at least once each month by the chief investment advisor. This review will be more often upon any asset change within the account. Significant capital losses in any position of 20-30% are subject to immediate review. Any securities not meeting earnings expectations are immediately scrutinized. Earnings estimate changes are also included in this process, and as expectations decline, the security is subjected to the review process as a potential sale.

The chief investment advisor will oversee all accounts.

B. Describe below the nature and frequency of regular reports to clients on their accounts.

The investment advisor will send out quarterly reports including realized and unrealized capital gains, income received year to date, asset valuations, and rates of return.

The custodian is expected to send out monthly statements showing gains/losses, asset values, and income generated year to date.

12. Investment or Brokerage Discretion.

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- | | | |
|--|---|-----------------------------|
| (1) securities to be bought or sold? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (2) amount of the securities to be bought or sold? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (3) broker or dealer to be used? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (4) commission rates paid? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients? Yes ☐ No ☒

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

the products, research and services

whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services

whether research is used to service all of applicant's accounts or just those accounts paying for it; and

any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for product and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- | | | |
|---|---|--|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or

requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet? Yes ☒ No ☐

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant: **Scholtz & Company, LLC.**

SEC File Number:

801-46723

Date:

2/22/06

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

<p>1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Scholtz & Company, LLC.</p>	<p>IRS Empl. Ident. No.: 13-3756684</p>																								
Item of Form (identify)	Answer																								
<p>p 2, 1. D</p>	<p>Individually managed accounts are subject to the following negotiable fee schedules: Fees are charged at the beginning of each quarter for that quarter's service, with the majority being directly debited. Contract can be terminated at any time with written notice, and no further fees will be charged.</p> <p><u>All Cap Equity Accounts</u> <u>Annual Rate (% Assets)</u></p> <table> <tr> <td>1.25%</td> <td>First \$1,000,000</td> </tr> <tr> <td>1.00%</td> <td>Next \$1,000,000</td> </tr> <tr> <td>.95%</td> <td>Next \$3,000,000</td> </tr> <tr> <td>.90%</td> <td>Remaining Balance</td> </tr> </table> <p><u>Balanced Accounts</u> <u>Annual Rate (% Assets)</u></p> <table> <tr> <td>1.00%</td> <td>First \$2,000,000</td> </tr> <tr> <td>.95%</td> <td>Next \$1,000,000</td> </tr> <tr> <td>.90%</td> <td>Remaining Balance</td> </tr> </table> <p><u>The Income Product</u> <u>Annual Rate (% Assets)</u></p> <table> <tr> <td>.60%</td> <td>First \$5,000,000</td> </tr> <tr> <td>.50%</td> <td>Remaining Balance</td> </tr> </table> <p><u>Wrap Fee Programs (S&C Portion)</u></p> <table> <tr> <td>All Cap Equity</td> <td>.75 %</td> </tr> <tr> <td>Balanced</td> <td>.50 %</td> </tr> <tr> <td>Income</td> <td>.40 %</td> </tr> </table>	1.25%	First \$1,000,000	1.00%	Next \$1,000,000	.95%	Next \$3,000,000	.90%	Remaining Balance	1.00%	First \$2,000,000	.95%	Next \$1,000,000	.90%	Remaining Balance	.60%	First \$5,000,000	.50%	Remaining Balance	All Cap Equity	.75 %	Balanced	.50 %	Income	.40 %
1.25%	First \$1,000,000																								
1.00%	Next \$1,000,000																								
.95%	Next \$3,000,000																								
.90%	Remaining Balance																								
1.00%	First \$2,000,000																								
.95%	Next \$1,000,000																								
.90%	Remaining Balance																								
.60%	First \$5,000,000																								
.50%	Remaining Balance																								
All Cap Equity	.75 %																								
Balanced	.50 %																								
Income	.40 %																								
<p>p 3, 4. A (5)</p>	<p>Quantitative Models</p>																								
<p>p 3, 4. B (8)</p>	<p>Databases and Computer models</p>																								
<p>p 4, 5.</p>	<p>For those involved in determining or giving investment advice to clients, the company requires the individual to have a college degree in economics, inance, or accounting, and preferably an MBA. They must meet the requirements to be a registered Investment Advisor, according to the SEC.</p>																								
<p>p 4, 6.</p>	<table> <tr> <td>Philip J. Miller</td> <td>Peter D. Scholtz</td> </tr> <tr> <td>1944</td> <td>1952</td> </tr> <tr> <td>Wesleyan University</td> <td>Ohio Wesleyan University, Columbia Business School</td> </tr> <tr> <td>Nicholas Applegate Capital Management</td> <td>Scholtz & Company</td> </tr> <tr> <td>Scholtz & Company</td> <td></td> </tr> </table>	Philip J. Miller	Peter D. Scholtz	1944	1952	Wesleyan University	Ohio Wesleyan University, Columbia Business School	Nicholas Applegate Capital Management	Scholtz & Company	Scholtz & Company															
Philip J. Miller	Peter D. Scholtz																								
1944	1952																								
Wesleyan University	Ohio Wesleyan University, Columbia Business School																								
Nicholas Applegate Capital Management	Scholtz & Company																								
Scholtz & Company																									
<p>p 5, 9 (E)</p>	<p>The investment advisor may invest in the same securities as clients only after client positions have been fully and appropriately established. Likewise, the advisor will liquidate those securities only after the client has fully liquidated their securities, or there is no intention of selling client securities for several weeks or months. In spirit, "frontrunning" will be carefully avoided by any advisor accounts.</p>																								
<p>p 6, 12.</p>	<p>Conditions for investment advisory accounts include prepayment of up to three months' fees and a minimum average account size of \$100,000.</p>																								
<p>p 5, 10.</p>	<p>Brokerage transaction for OTC equity securities may be effected on an agency basis. Therefore, clients may pay a commission broker-dealers effecting such transactions and also pay the market makers a mark-up or mark-down which is included in the offering or bid price of the securities purchased or sold.</p>																								

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant: **Scholtz & Company, LLC.**

SEC File Number:

801-46723

Date:

2/22/06

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Scholtz & Company, LLC.		IRS Empl. Ident. No.: 13-3756684						
Item of Form (identify)	Answer (Continued)							
p 6, 12 (contd), A (3)	<p>The brokers that Scholtz & Company selects to execute the trades do not determine the commissions on the transactions; Scholtz & Company does. Scholtz & Company aims to choose the brokers that would excel in providing outstanding services, in their expertise in certain securities, and research provided. The commissions that Scholtz & Company determines to charge its clients are reasonable based on the fact that they are lower than those a full-service brokerage firm would charge. The research paid for by the commissions is an integral part of the service provided by Scholtz & Company.</p>							
A (4)	<p>The reasoning behind the practice of "bunching" transactions lies in the determination to provide the same execution price for all the clients who participate in the transaction, thus, accounting for the fairness of achieving the best price. If Scholtz & Company feels that a large trade order may affect the market price, it would place limits on the price, or select "market not held" option.</p> <p>The trades in the proprietary trading accounts are executed either concurrently or after but never before the trades in client accounts. This practice eliminates the possible conflict of interest when Scholtz & Company sometimes bunches the proprietary trading accounts with client accounts when executing a certain trade. If there is only a partial fill, Scholtz & Company capital account is always filled last.</p>							
B	<p>No client of Scholtz & Company requests to trade with a particular broker. Scholtz & Company does have an understanding to trade only at the institutions that serve as custodians / brokerage houses for certain clients. This arrangement has been agreed on between the client and the custodian prior to becoming Scholtz & Company's client. Thus, any new client that is referred by a broker would have his / her trades executed through that brokerage house.</p>							
p 6, 13. A	<p>Scholtz & Company has entered several soft dollar agreements with two companies (BNY and Schonfeld IBS) that pay for the acquired research as well as execution services. This research is not publicly available and is important to the making of investment decisions. For this reason, Scholtz & Company may (but has not) charge its clients higher commissions than the brokers in return for the research products and services.</p> <p>The soft dollar allocation is as follows:</p> <table border="1"> <thead> <tr> <th>Company</th> <th>Products</th> </tr> </thead> <tbody> <tr> <td>Bank of New York Brokerage</td> <td>Advent Software, Inc.; American Stock Exchange; Bloomberg L.P., First Call Corp.; FT Interactive Data; New York Stock Exchange; Options Price Reporting Authority; Value Line. Market Profile Theorems, Inc.; The Applied Finance Group, Ltd. (carried over from soft dollar agreement with Boston Institutional)</td> </tr> <tr> <td>Schonfeld IBS</td> <td>Zacks Investment Research</td> </tr> </tbody> </table> <p>Of the above products, Advent Software, Inc. will be only partially covered with soft dollars. The allocation between soft to hard dollars is: 70 % : 30%.</p>		Company	Products	Bank of New York Brokerage	Advent Software, Inc.; American Stock Exchange; Bloomberg L.P., First Call Corp.; FT Interactive Data; New York Stock Exchange; Options Price Reporting Authority; Value Line. Market Profile Theorems, Inc.; The Applied Finance Group, Ltd. (carried over from soft dollar agreement with Boston Institutional)	Schonfeld IBS	Zacks Investment Research
Company	Products							
Bank of New York Brokerage	Advent Software, Inc.; American Stock Exchange; Bloomberg L.P., First Call Corp.; FT Interactive Data; New York Stock Exchange; Options Price Reporting Authority; Value Line. Market Profile Theorems, Inc.; The Applied Finance Group, Ltd. (carried over from soft dollar agreement with Boston Institutional)							
Schonfeld IBS	Zacks Investment Research							
13. B	<p>Referral fees, when paid, are paid according to the following schedule:</p> <p>40% of the first year's advisory fee 20% of the second year's advisory fee 15% of the third year's advisory fee 10% of the fourth year's advisory fee 0% thereafter</p>							

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule G of
Form ADV
Balance Sheet**

Applicant: **Scholtz & Company, LLC.**
Number:

SEC File
801-46723

Date:
2/22/06

(Answers in Response to Form ADV Part II Item 14.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Scholtz & Company, LLC.	IRS Empl. Ident. No.: 13-3756684
<p style="text-align: center;">Instructions</p> <p>1. The balance sheet must be:</p> <ul style="list-style-type: none">A. Prepared in accordance with generally accepted accounting principlesB. Audited by an independent public accountantC. Accompanied by a note stating the principles used to prepare it, the basis of included securities, and any other explanations required for clarity. <p>2. Securities included at cost should show their market or fair value parenthetically.</p> <p>3. Qualifications and any accompanying independent accountant's report must conform to Article 2 of Regulation S-X (17 CFR 210.2-01 et. seq.).</p> <p>4. Sole proprietor investment advisers:</p> <ul style="list-style-type: none">A. Must show investment advisory business assets and liabilities separate from other business and personal assets and liabilitiesB. May aggregate other business and personal asset and liabilities unless there is an asset deficiency in the total financial position.	

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule H of
Form ADV
Page 1**

Applicant: **Scholtz & Company, LLC.**

SEC File Number:

801-46723

Date:

2/22/06

(for sponsors of wrap fee programs)

Name of wrap fee program or programs described in attached brochure:

- 1. *Applicability of Schedule.*** This Schedule must be completed by applicants that are compensated under a wrap fee program for sponsoring, organizing, or administering the program, or for selecting, or providing advice to clients regarding the selection of, other investment advisers in the program (“sponsors”). A wrap fee program is any program under which a specified fee or fees not based directly upon transactions in a client’s account is charged for investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and execution of client transactions.
- 2. *Use of Schedule.*** This Schedule sets forth the information the sponsor must include in the wrap fee brochure it is required to deliver or offer to deliver to clients and prospective clients of its wrap fee programs under Rule 204-3 under the federal Advisers Act and similar rules of jurisdictions. The wrap fee brochure prepared in response to this Schedule must be filed with the Commission and the jurisdictions as part of Form ADV by completing the identifying information on this Schedule and attaching the brochure. Brochures should be prepared separately, not on copies of this Schedule. Any wrap fee brochure filed with the Commission as part of an amendment to Form ADV shall contain in the upper right corner of the cover page the sponsors’ registration number (801-).
- 3. *General Contents of Brochure.*** Unlike Parts I and II of this form, this Schedule is not organized in “check-the-box” format. These instructions, including the requests for information in Item 7 below, should not be repeated in the brochure. Rather, this Schedule describes minimum disclosures that must be made in the brochure to satisfy the sponsor’s duty to disclose all material facts about the sponsor and its wrap fee programs. **Nothing in this Schedule relieves the sponsor from any obligation under any provision of the federal Advisers Act or rules thereunder, or other federal or state law to disclose information to its advisory clients or prospective advisory clients not specifically required by this Schedule.**
- 4. *Multiple Sponsors.*** If two or more persons fall within the definition of “sponsor” in Item 1 above for a single wrap fee program, only one such sponsor need complete the Schedule. The sponsors may choose among themselves the sponsor that will complete the Schedule.
- 5. *Omission of Inapplicable Information.*** Any information not specifically required by this Schedule that is included in the brochure should be applicable to clients and prospective clients of the sponsor’s wrap fee programs. If the sponsor is required to complete this Schedule with respect to more than one wrap fee program, the sponsor may omit from the brochure furnished to clients and prospective clients of any wrap fee program or programs information required by this Schedule that is not applicable to clients or prospective clients of that wrap fee program or programs. If a sponsor of more than one wrap fee program prepares separate wrap fee brochures for clients of different programs, each brochure must be filed with the Commission and the jurisdictions attached to a separate copy of this Schedule. Each such brochure must state that the sponsor sponsors other wrap fee programs and state how brochures for those programs may be obtained.
- 6. *Updating.*** Sponsors are required to file an amendment to the brochure promptly after any information in the brochure becomes materially inaccurate. Amendments may be made by use of a “sticker”, *i.e.*, a supplement affixed to the brochure that indicates what information is being added or updated and states the new or revised information, as long as the resulting brochure is readable. Stickers should be dated and should be incorporated into the text of the brochure when the brochure itself is revised.
- 7. *Contents of Brochure.*** Include in the brochure prepared in response to this Schedule:

 - (a) on the cover page, the sponsor’s name, address, telephone number, and the following legend in bold type or some other prominent fashion:
This brochure provides clients with information about [name of sponsor] and the [name of program or programs] that should be considered before becoming a client of the [name of program or programs]. This information has not been approved or verified by any governmental authority.
 - (b) a table of contents reflecting the subject headings in the sponsor’s brochure.
 - (c) the amount of the wrap fee charged for each program or, if fees vary according to a schedule established by the sponsor, a table setting forth the fee schedule, whether such fees are negotiable, the portion of the total fee (or the range of such amounts) paid to persons providing advice to clients regarding the purchase or sale of specific securities under the program (“portfolio managers”), and the services provided under each program (including the types of portfolio management services);

Applicant: **Scholtz & Company, LLC.**

SEC File Number:

801-46723

Date:

2/22/06

- (d) a statement that the program may cost the client more or less than purchasing such services separately and a statement of the factors that bear upon the relative cost of the program (e.g., the cost of the services if provided separately and the trading activity in the client's account);
- (e) if applicable, a statement that the person recommending the program to the client receives compensation as a result of the client's participation in the program, that the amount of this compensation may be more than what the person would receive if the client participated in other programs of the sponsor or paid separately for investment advice, brokerage, and other services, and that the person may therefore have a financial incentive to recommend the wrap fee program over other programs or services;
- (f) a description of the nature of any fees that the client may pay in addition to the wrap fee and the circumstances under which these fees may be paid (including, if applicable, mutual fund expenses and mark-ups, mark-downs, or spreads paid to market makers from whom securities were obtained by the wrap fee broker);
- (g) how the program's portfolio managers are selected and reviewed, the basis upon which portfolio managers are recommended or chosen for particular clients, and the circumstances under which the sponsor will replace or recommend the replacement of the portfolio manager;
- (h) (1) if applicable, a statement to the effect that portfolio manager performance information is not reviewed by the sponsor or a third party and/or that performance information is not calculated on a uniform and consistent basis,
- (2) if performance information is reviewed to determine its accuracy, the name of the party who reviews the information and a brief description of the nature of the review,
- (3) a reference to any standards (i.e., industry standards or standards used solely by the sponsor) under which performance information may be calculated;
- (i) a description of the information about the client that is communicated by the sponsor to the client's portfolio manager, and how often or under what circumstances the sponsor provides updated information about the client to the portfolio manager;
- (j) any restrictions on the ability of clients to contact and consult with portfolio managers;
- (k) in narrative text, the information required by Items 7 and 8 of Part II of this form and, as applicable to clients of the wrap fee program, the information required by Items 2, 5, 6, 9A and C, 10, 11, 13 and 14 of Part II;
- (l) if any practice or relationship disclosed in response to Item 7, 8, 9A, 9C and 13 of Part II presents a conflict between the interests of the sponsor and those of its clients, explain the nature of any such conflict of interest; and
- (m) if the sponsor or its divisions or employees covered under the same investment adviser registration as the sponsor act as portfolio managers for a wrap fee program described in the brochure, a brief, general description of the investments and investment strategies utilized by those portfolio managers.

8. Organization and Cross References. Except for the cover page requirements in Item 7(a) above, information contained in the brochure need not follow the order of the items listed in Item 7. However, the brochure should not be organized in such a manner that important information called by the form is obscured.

Set forth below the page(s) of the brochure on which the various disclosures required by Item 7 are provided.

	Page(s)		Page(s)		Page(s)	
Item	7(a)	cover	Item	7(f)	Item	7(j)
	#7(b)		#7(g)		#7(k)	
	#7(c)		#7(h)		#7(l)	
	#7(d)		#7(i)		#7(m)	
	#7(e)					