

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

OMB APPROVAL	
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Name of Investment Adviser: Schultz Financial Group Inc.	
Address: (Number and Street) (City) (State) (Zip Code) 160 W. Huffaker Lane, Reno, NV 89511	Area Code: Telephone Number 775-850-5620

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 government authority.

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(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.

Applicant:

Schultz Financial Group Inc.

SEC File Number:

801-18297

Date:

2/2/2007

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:

- ☒ (1) Provides investment supervisory services..... 20 %
- ☒ (2) Manages investment advisory accounts not involving investment supervisory services..... 20 %
- ☐ (3) Furnishes investment advice through consultations not included in either service described above..... %
- ☐ (4) Issues periodicals about securities by subscription..... %
- ☐ (5) Issues special reports about securities not included in any service described above..... %
- ☐ (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices
which clients may use to evaluate securities..... %
- ☒ (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities..... 60 %
- ☐ (8) Provides a timing service..... %
- ☐ (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 the 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)

- ☒ (1) A percentage of assets under management ☐ (4) Subscription fees
- ☒ (2) Hourly charges ☐ (5) Commissions
- ☒ (3) Fixed fees (not including subscription fees) ☐ (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)

- ☒ A. Individuals ☒ E. Trusts, estates, or charitable organizations
- ☐ B. Banks or thrift institutions ☒ F. Corporations or business entities other than those listed above
- ☐ C. Investment companies
- ☒ D. Pension and profit sharing plans ☐ G. Other (describe on Schedule F)

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

- | | |
|---|--|
| <input 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 checked="" type="checkbox"/> (1) securities |
| <input checked="" type="checkbox"/> (3) foreign issues | <input checked="" 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 checked="" type="checkbox"/> (1) tangibles |
| <input type="checkbox"/> D. Commercial paper | <input checked="" 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 checked="" type="checkbox"/> (1) real estate |
| <input type="checkbox"/> G. Investment company securities | <input checked="" type="checkbox"/> (2) oil and gas interests |
| <input checked="" type="checkbox"/> (1) variable life insurance | <input checked="" type="checkbox"/> (3) other (explain on Schedule F) |
| <input checked="" type="checkbox"/> (2) variable annuities | <input checked="" 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 type="checkbox"/> Charting | (4) <input checked="" type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input 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 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 checked="" type="checkbox"/> Corporate rating services | (8) <input 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 checked="" type="checkbox"/> Option writing, including covered options, uncovered
options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days) | (7) <input type="checkbox"/> Other (explain on Schedule F) |
| (4) <input checked="" type="checkbox"/> Short sales | |

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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
- year of birth
- formal education after high school
- 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.)

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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 Yes No
and impose a minimum dollar value of assets or other conditions for starting or maintaining an account? ☒ ☐

(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.

After a financial plan is written and presented to a client, it is reviewed periodically and updated as necessary. The reviews will cover certain areas of the plan that need implementation or reporting. The update will encompass a review of the original plan, as well as any new issues that have arisen. Implementation of recommendations will be reviewed and new recommendations may be made in light of new economic factors, changes in tax laws, or changes in client's goals. The reviewers are the registered advisors of the Adviser, assisted by an associate, if appropriate.

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

Clients will receive a monthly statement on their account directly from the account custodian. In addition, clients receive comprehensive reports semi-annually from the Adviser and are met with at least twice per year (if distance precludes a face-to-face meeting, a phone meeting is scheduled) depending on the needs of the client and the complexity of the issues. The Adviser will also provide un-audited quarterly statements and audited annual financial statements to investors in its private investment funds.

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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 products 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 type="checkbox"/> | No <input checked="" 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 <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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**Schedule F of
FORM ADV****Continuation Sheet for Form ADV Part II**

Applicant:

Schultz Financial Group

SEC File Number:

801- 18297

Date:

2/2/2007

(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:

Schultz Financial Group Inc.

IRS Empl. Ident. No.:

95-3862759

Item of Form

Answer

Privacy Policy

Maintaining the confidentiality of client personal financial information is very important to Schultz Financial Group Inc. ("Adviser"). To provide clients with superior service, Adviser may collect several types of nonpublic personal information about clients, including:

- Information from forms that clients may fill out and send to Adviser in connection with Adviser's services (such as name, address, and social security number).
- Information a client may give Adviser orally.
- Information about the amount clients have invested with Adviser.
- Information about any bank account clients may use for transfers between a bank account and Adviser's managed accounts.

Adviser does not sell or disclose client personal information to anyone except as permitted or required by law. For example, Adviser may share information collected about its clients with Adviser's independent auditors. Adviser may share this information with Adviser's legal counsel, CPA, and/or bankers as it deems appropriate and with regulators. Finally, Adviser may disclose information about clients at the client's request (for example, by sending duplicate account statements to someone designated by the client), or as otherwise permitted or required by law.

Within Adviser, access to information about clients is restricted to those employees who need to know the information to service client accounts. Adviser employees are trained to follow our procedures to protect client privacy and are instructed to access information about clients only when they have a business reason to obtain it. Adviser reserves the right to change its privacy policy in the future, but Adviser will not disclose client nonpublic personal information unless as required or permitted by law without giving the client an opportunity to instruct Adviser not to.

Item 1. D**Services and Fees**

Applicant predominantly provides comprehensive financial advisory services that are termed "Integrative Personal Planning." The service includes assisting clients to determine their goals and objectives, reviewing their current financial position, evaluating and analyzing the information provided by the client, and making recommendations for a personalized financial program covering all aspects of their financial life, including cash management, insurance review, and income tax, and estate planning. Investment management services, part of the Integrated Personal Planning service, include developing an investment policy statement, analyzing risk tolerance, doing securities research, and making recommendations. We then implement, monitor and report on those

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Answer

recommendations. Integrated Personal Planning may include additional services as needed, such as technology assistance. Annual fees are based on a percentage of net worth, and typically range from 0.4% to 1.0% with a minimum annual fee of \$10,000 for new clients. The fee takes into consideration the complexity of the issues and assets, and may be adjusted accordingly. The annual fee for the initial year is paid in four payments, one at the Data Gathering meeting, the second at the Plan presentation meeting, and the final two payments at the beginning of the following two calendar quarters after plan completion. In subsequent years, the annual fee is billed in four equal quarterly installments. (For a few clients, this fee is paid monthly.) Some clients contract for investment advisory services only. Their fee is computed according to the following schedule: 1% of the first \$1,000,000 and negotiable for all assets above \$1 million. This is an annual fee billed quarterly in advance. For the few clients not on an annual fee, update and review meetings are billed on an hourly basis at the end of the month in which the work was completed. (Hourly fees range from \$75 to \$400, depending on who is doing the work). On rare occasions, the fee charged may be negotiable due to some unusual circumstances.

Termination. An agreement for comprehensive financial planning services may be canceled at any time, by either party, for any reason, upon receipt of written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded and any earned, unpaid fees will be due and payable.

Private Investment Funds

General. Adviser has organized and serves as managing member and discretionary investment adviser to several private investment funds, including Sierra Nevada Alternative Equity Fund II, LLC., a Nevada limited liability company, Sierra Nevada Alternative Fixed Income Fund, LLC., a Nevada limited liability company, and Traditional Equity Fund, LLC., a Nevada limited liability company (collectively, the "Funds"). Adviser may decide in the future to sponsor or manage additional private investment funds. Adviser intends to restrict the number of investors and will offer the interests in the Fund only through non-public transactions in order to maintain each Fund's exclusion from "investment company" status under the Investment Company Act of 1940, as amended.

Subscriptions for the Funds interests will be accepted only from existing clients of the Adviser who are accredited investors under the Investment Advisers Act of 1940, as applicable. In addition, investors will be required to make representations concerning their sophistication as investors. The minimum subscription that will generally be accepted is \$100,000. Adviser may, in its sole discretion, waive the minimum subscription requirement for any investor. Qualified prospective investors should carefully read the Fund's offering memorandum (the "Memorandum") and charter

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(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:

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documents.

The investment objectives of the Funds vary, but are generally to provide current income and/or capital appreciation. There can be no assurance that the investment objective of any Fund will be achieved. An investment in a Fund is subject to significant risks and potentially some conflicts of interest.

Fees. Adviser will receive no management or performance-based fees from the private investment funds that invest in other hedge funds. In addition, the private investment funds that invest in other hedge funds pay fees to the outside managers of the underlying hedge funds, which generally range from 0% to 2% of the assets managed by the manager (for investment management fees) and around 20% of the cumulative new net profits earned by such managers (for performance-based fees).

Physical custody of the assets of the Funds will be maintained with a clearing broker or brokers to be selected by Adviser in its exclusive discretion, which selection may change from time to time. Adviser will not maintain physical possession of the funds or securities of any private investment fund.

Termination. Investors in the Funds, or other investors in private investment funds, may be limited in their ability to terminate their participation in the pooled investment vehicle. Such limits are set out in the Memorandum or other private investment fund offering documents, which should be read carefully. Investors in the Funds will generally be unable to redeem their investment during the first calendar quarter of their participation. Upon termination, any prepaid, unearned fees for the Fund's underlying managers will be promptly refunded and any earned, unpaid fees will be due and payable.

Fee Comparison. The expenses of each Fund, including the fees of the investments, accounting, legal and the Adviser's direct expenses related to travel to meet with existing and potential investments for the Fund, while potentially higher than other investment vehicles, are believed by the Adviser to be competitive.

Proxy Policy

Generally, and except to the extent that a client otherwise instructs Adviser in writing, Adviser will not vote (by proxy or otherwise) in any matters for which a shareholder vote is solicited by, or with respect to, issuers of securities beneficially held in the client's account in accordance with written policies and procedures established by Adviser.

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

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Continuation Sheet for Form ADV Part II

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Schultz Financial Group

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(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:

Schultz Financial Group Inc.

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Answer

Item 3. L.

Types of Investments

Adviser is authorized to enter into any type of investment transaction that it deems appropriate for its clients, pursuant to the terms of the account agreement. Adviser does not currently advise clients on any types of investments other than those identified in this section.

Item 5.

Education and Business Standards

Advisory persons associated with Adviser must, at a minimum, possess the following: a college degree and/or appropriate business experience and all required licenses and examinations.

Item 6.

Education and Business Background last 5 years:

Russell C. Schultz

Year of birth: 1955

Education: El Camino College, 1975-1978

University of California, Los Angeles, 1980-1981

Certified Financial Planner (CFP), 1994

Background: 1982 – Present CEO, Schultz Financial Group Inc. (formerly Schultz & Schultz Inc.)

Vicki P. Schultz

Year of birth: 1944

Education: Pennsylvania State University, 1962-1964

Temple University, 1964-1966 BS Education

California State University, Long Beach 1979-1983 MBA

Certified Financial Planner (CFP) 1986

Background: 1983 – Present Executive Vice President, Schultz Financial Group Inc. (formerly Schultz & Schultz Inc.)

Clarissa Alesevich

Year of birth: 1972

Education: University of Nevada, Reno 1993-1997 BS Business Administration - Finance

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

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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

Schultz Financial Group Inc.

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Answer

Background: 9/1998 - Present: Investment Plan Manager, Schulz Financial Group Inc. (formerly Schultz & Schultz Inc.)

Item 7. A.

Other Business Activities

As part of the comprehensive relationship and fee paid by some clients, the Adviser provides additional planning services such as bill paying, technology assistance, and family strategic planning; life planning services such as education on health, physical, and psychological well-being; and real estate consultation for residential remodel and/or construction. Adviser estimates that its staff spends approximately 20% of its time providing these services to clients.

Item 8. D and 9.D

Other Financial Industry Activities or Affiliations/Participation or Interest in Client Transactions

For private investment funds where Adviser serves as manager, general partner, and/or investment adviser, Adviser may make such investments available to qualified clients whose investment strategies are consistent with those of the private investment funds. While the Advisor will not receive fees from the private investment funds (as discussed above), Adviser will receive compensation as a fee-only Adviser from its clients for advising clients as to the appropriateness of investing in such private investment funds.

Item 9.

Code of Ethics

Adviser has adopted a Code of Ethics under Rule 204A-1 under the Advisers Act. Rule 204A-1 requires Adviser to establish, maintain and enforce a written code of ethics that (i) sets the standard of business conduct that Adviser requires of its employees, (ii) requires employees to comply with applicable federal securities laws (including laws regarding insider trading and privacy), (iii) sets forth provisions regarding personal securities transactions by employees. Adviser's Code of Ethics sets forth specific policies and procedures for its employees to follow regarding material, non-public information ("insider information") and other confidential information of clients and Adviser. While Adviser does not expect its employees to be in receipt of inside information, it requires any employee receiving inside information to refrain from trading on the information and to discuss the information only with the Chief Compliance Officer to determine an appropriate course of action. Procedures are set forth to safeguard all other confidential information. The Code

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Item of Form

Answer

of Ethics also details policies and procedures regarding personal securities transactions by employees. All employees are required to provide initial, annual and quarterly securities transaction reports which are reviewed by the Chief Compliance Officer or his designate. A copy of Adviser's Code of Ethics is available to clients upon written request. We at Schultz Financial Group strictly adhere to our Core Beliefs and Behaviors. These beliefs (Client Commitment, Innovation and Service Heart) reflect our values in maintaining a legacy of trust.

Item 10.

Conditions for Managing Accounts

While not specifically defined, Adviser generally requires a client to have a net worth of \$3 million or greater to have a comprehensive financial planning relationship. Adviser may waive this minimum in its discretion.

Adviser generally requires a minimum of \$100,000 for investors in the private investment funds, and those investors generally must be accredited investors under Regulation D, and qualified to participate in a performance fee arrangement under the Investment Advisers Act in order to invest in the investment funds, which generally requires a net worth that exceeds \$1,500,000 or an investment of \$750,000 in the investment fund. Adviser generally requires such investors to make representations concerning their sophistication as investors and understanding of risks. These minimums and requirements may be waived by Adviser in its discretion.

Item 12. and 13

Investment or Brokerage Discretion and Additional Compensation

Adviser will have discretionary authority to make the following determinations without obtaining the consent of the client before the transactions are effected:

Within each private Fund the Adviser can determine:

- the underlying managers and/or securities that are to be bought or sold;
- the total amount of investment with each manager and/or securities to be bought or sold;
- the brokers through which each manager and/or securities are to be bought or sold; and
- the commission rates at which each manager and/or securities transactions for client accounts are effected.

Adviser's authority may be subject to conditions imposed by the client, examples of which may include:

**Schedule F of
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Continuation Sheet for Form ADV Part II

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

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Answer

1) where the client restricts or prohibits transactions in securities of a specific industry, and/or 2) the client directs that transactions be effected through specific brokers and dealers. The latter restriction may be conditioned by the client on the broker -dealer being competitive as to price and execution for each transaction, or offering a specified level of commission discount or may be subject to varying degrees of restrictions such as an instruction to utilize the broker-dealer: a) whether or not competitive, and b) where the specified levels of commission discounts are less favorable than might otherwise be obtained by the firm.

Execution Quality. Adviser will generally seek “best execution” in light of the circumstances involved in transactions. In selecting a broker for any transactions, Adviser may consider a number of factors, including, for example, net price, reputation, financial strength and stability, efficiency of execution and error resolution, the size of the transaction and the market for the security. Adviser will not obligate itself to obtain the lowest commission or best net price for an account on any particular transaction.

Soft Dollars. In addition to execution quality, Adviser may consider the value of various products and services a broker-dealer may provide. Selecting a broker-dealer in recognition of services or products other than simply transaction execution is known as paying for those services and products with “soft dollars.” Because many of those services could be considered to provide some benefit to Adviser and because the “soft dollars” used to acquire them will be assets of Adviser’s clients, Adviser could be considered to have a conflict of interest in allocating client brokerage business. In other words, Adviser could receive valuable benefits by selecting a particular broker or dealer to execute client transactions and the transaction commission charged by that broker or dealer might not be the lowest commission Adviser might otherwise be able to negotiate. The primary service to which this applies is for electronic files from the custodian that enable the Adviser to generate portfolio accounting reports to better serve the client.

“Research” products and services provided to Adviser may include the following: research reports on or other information about particular companies or industries; economic surveys and analyses; recommendations as to specific securities; financial publications; portfolio evaluation services; financial database software and services; computerized news, pricing and order-entry services; quotation equipment; and other products or services that may enhance Adviser’s investment decision making responsibilities.

Adviser will make decisions involving “soft dollars” in a manner that satisfies the requirements of the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934. That is, Adviser will generally determine, considering all appropriate factors (including those described here), that

**Schedule F of
FORM ADV**

Continuation Sheet for Form ADV Part II

Applicant:

Schultz Financial Group

SEC File Number:

801- 18297

Date:

2/2/2007

(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:

Schultz Financial Group Inc.

IRS Empl. Ident. No.:

95-3862759

Item of Form

Answer

transaction charges paid to brokers are reasonable in relation to the value of all the brokerage and research products and services provided by the broker-dealer. In making that determination, Adviser may consider not only the particular transaction or transactions, and not only the value of brokerage and research services and products to a particular client, but also the value of those services in Adviser's performance of its overall investment responsibilities to all of its clients. In some cases, the transaction charges by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

Adviser monitors transaction results as orders are executed to evaluate the quality of execution provided by the various brokers and dealers it uses, to determine that compensation rates are competitive and otherwise to evaluate the reasonableness of the compensation paid to those brokers - dealers in light of all the factors described above.

Brokerage Direction. In some instances, because of a prior relationship between a client and one or more brokers, or for other reasons, a client may instruct Adviser to execute some or all securities transactions for its account with or through one or more brokers designated by the client. In such cases, the client is responsible for negotiating the terms and conditions (including, but not limited to, commission rates) relating to all services to be provided by such brokers and the client is satisfied with such terms and conditions. Adviser will assume no responsibility for obtaining the best prices or any particular commission rates for transactions with or through any such broker for such client's account. The client must recognize that it may not obtain rates as low as it might otherwise obtain if Adviser had discretion to select broker/dealers other than those chosen by the client. Any client providing instructions to Adviser regarding direction of brokerage transactions must notify Adviser in writing if the client desires Adviser to cease executing transactions with or through any such broker/dealer.