

## Uniform Application for Investment Adviser Registration

## Part II - Page 1

Name of Investment Adviser: Schultz Investment Advisors, Inc.				
Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code: Telephone number:
1099 E. Grand River Rd.	Williamston	MI	48895	(517) 655-4130

**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 instructions below.)

Applicant:

<input checked="" type="checkbox"/>	(1)	Provides investment supervisory services . . . . .	100%
<input type="checkbox"/>	(2)	Manages investment advisory accounts not involving investment supervisory services . . . . .	%
<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 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 type="checkbox"/> (3) foreign issuers  | <input type="checkbox"/> (2) commodities                            |
| <input type="checkbox"/> B. Warrants  | <input type="checkbox"/> J. Futures contracts on:                   |
| <input type="checkbox"/> C. Corporate debt securities (other than commercial paper) | <input type="checkbox"/> (1) tangibles                              |
| <input type="checkbox"/> D. Commercial paper  | <input type="checkbox"/> (2) intangibles                            |
| <input type="checkbox"/> E. Certificates of deposit                                 | <input type="checkbox"/> K. Interests in partnerships investing in: |
| <input 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 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 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 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<br>(securities held at least a year) | (5) <input type="checkbox"/> Margin transactions  |
| (2) <input checked="" type="checkbox"/> Short term purchases<br>(securities sold within a year)  | (6) <input 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 type="checkbox"/> Short sales   |   |

Applicant  
Schultz Investment Advisors, Inc.

SEC File Number

Date  
12/31/2008

**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 checked="" 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 advisor 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 in 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.)

- 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  
☒ ☐

(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.

We monitor client accounts continuously and recommend changes and/or alternate investment opportunities when we believe it is appropriate to do so. General conditions in the stock and bond markets are continuously monitored. Factors triggering reviews, and perhaps triggering buy or sell recommendations, include changed circumstances of the clients; changed general conditions in the stock and bond markets; and changes in mutual funds owned by clients. All accounts are reviewed by Mr. Scott Schultz. There is no set minimum or maximum in place with regard to the number of accounts that will be reviewed.

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

Clients receive copies of all transaction confirmations and monthly/quarterly statements from their brokerage firms and/or custodians. In addition, clients receive account statements from Schultz Investment Advisors, Inc. on a quarterly basis.

**12. Investment or Brokerage Discretion.**

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

- |  | Yes                                 | No                                  |
|--|-------------------------------------|-------------------------------------|
| (1) securities to be bought or sold? .....               | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| (2) amount of the securities to be bought or sold? ..... | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| (3) broker or dealer to be used? .....                   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| (4) commission rates paid? .....                         | <input type="checkbox"/>            | <input checked="" 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<br><input checked="" type="checkbox"/> | No<br><input type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? .....  | Yes<br><input checked="" type="checkbox"/> | No<br><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; 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                                  |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> |

**Schedule F of  
Form ADV**

Applicant:  
**Schultz Investment Advisors,  
Inc.**

SEC File Number:

Date:  
12/31/2008

**Continuation Sheet for Form ADV Part II**

(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: <b>Schultz Investment Advisors, Inc.</b>	IRS Empl. Ident. No.: 38-3174283
Item of Form (identify)	Answer
Item 1.A	<p style="text-align: center;"><b>OVERVIEW OF ADVISORY SERVICES</b></p> <p>Schultz Investment Advisors, Inc. (the “Advisor”) offers investment management services to individuals, trusts, estates, and business entities. The Advisor determines and evaluates each client’s financial circumstances and investment objectives consistent with the client’s goals, risk tolerance, time horizon, and other criteria. The Advisor then recommends an investment management objective tailored to the client’s needs. The investment management objective is implemented on a discretionary basis as stated in the Advisor’s asset management agreement. Client assets are generally allocated among various closed-end funds. On an ongoing basis we monitor the performance of client accounts and the investment markets and reallocate clients’ assets as appropriate.</p> <p>The Advisor has agreements in place in which it compensates Solicitors or other investment professionals and their representatives (“Solicitor’s Agents”) for referring clients to the Advisor. Solicitor’s Agents will assist clients in selecting an appropriate investment strategy in which to invest. The Advisor will manage the client’s portfolio in accordance with the investment strategy selected. The Advisor maintains exclusive investment discretion as to which securities shall be purchased or sold in a client’s account in a manner consistent with the selected investment strategy. However, the Advisor is not responsible for the collection of data about clients’ or prospective clients’ investment objectives if the person is being referred by a Solicitor’s Agent. When making investment decisions for clients, the Advisor relies on the Solicitor’s Agent who is making the referral to provide the Advisor with information regarding the clients’ investment objectives as well as any changes to such investment objectives. The Solicitor’s Agents are responsible for working with their clients and suggesting an investment strategy that is most suitable for each client. The Solicitor’s Agents will remain available to clients for consultation regarding any changes to the clients’ investment objectives or financial circumstances. The Solicitor’s Agent will also discuss with the client the continuing suitability of the investment strategy selected.</p> <p style="text-align: center;"><b>Investment Management Services</b></p> <p>Portfolios are actively managed by investing in closed-end mutual funds. The Advisor employs a variety of investment strategies to develop an individually managed account customized to each client’s time horizon, lifestyle, and investment objectives. Within each strategy, the Advisor has the flexibility to accommodate client portfolio requirements. When managing client portfolios, the Advisor offers the following investment objectives in which total return is the ultimate goal for each strategy:</p> <ul style="list-style-type: none"><li>• Tax Free Bond Strategy – This portfolio seeks to provide monthly or quarterly tax-free income.</li><li>• Taxable Bond Strategy – This portfolio seeks to provide monthly or quarterly taxable income.</li></ul>

**Schedule F of  
Form ADV**

Applicant:  
**Schultz Investment Advisors,  
Inc.**

SEC File Number:

Date:  
12/31/2008

**Continuation Sheet for Form ADV Part II**

(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: <b>Schultz Investment Advisors, Inc.</b>	IRS Empl. Ident. No.: 38-3174283
Item of Form (identify)	Answer
	<ul style="list-style-type: none"> <li>• Domestic Growth Strategy – This portfolio seeks to provide growth.</li> <li>• Foreign Strategy – This portfolio seeks to provide concentrated exposure to foreign stock markets.</li> <li>• World Growth Strategy – This portfolio seeks to provide some exposure to US and foreign markets.</li> <li>• Asset Allocation Strategy – This portfolio seeks to provide current cash flow and capital appreciation.</li> <li>• Hybrid Strategy – This portfolio seeks to provide current cash flow and capital appreciation, however this portfolio allows for clients to own individual equities.</li> <li>• Money Market – This portfolio seeks to provide clients with the option to invest a percentage of their assets exclusively in money market funds provided through SIA's existing broker/dealer and clearing firm relationships.</li> </ul> <p>The investment strategies listed above may acquire the same securities that are owned by other strategies if, in the Advisor's opinion, the Advisor believes the investment is suitable for the particular strategy. Also, the Advisor may take concentrated positions in various securities across multiple strategies referenced above. In adverse market conditions, all or a portion of a client's account may be invested in cash or cash items, or a different mix of closed-end funds from those set forth in other portfolios. The Advisor's strategies are continually developing and evolving. While it is anticipated that the Advisor will invest primarily in closed-end funds that represent the investment strategy discussed above, the Advisor has broad and flexible investment authority. Therefore, there is no material limitation on the instruments or markets in which the Advisor may purchase or sell.</p> <p>There can be no assurance that the investment objective will be achieved or that the Advisor's strategies will be successful.</p> <p>For clients not working with a Solicitor's Agent, the Advisor will assist the client in determining the most suitable investment strategy based on each client's individual needs. The Advisor will remain available to the client for consultation regarding any changes to the client's investment objectives and current financial circumstances. The Advisor will also monitor the continued suitability of the particular investment strategies selected.</p> <p><b>FEES</b></p> <p>The Advisor or the Solicitor's Agent reserves the right to adjust the fee schedule below for accounts depending on the size and type of account and the services required. In some cases, negotiation of fees may result in different fees being charged for similar services and may be less than the stated fee schedule. Compensation for the Advisor's services, which include developing, recommending, and implementing a client's investment strategy; monitoring investment results; and reporting to the client on a quarterly basis, is as follows:</p>



**Schedule F of  
Form ADV**

Applicant:  
**Schultz Investment Advisors,  
Inc.**

SEC File Number:

Date:  
12/31/2008

**Continuation Sheet for Form ADV Part II**

(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: <b>Schultz Investment Advisors, Inc.</b>	IRS Empl. Ident. No.: 38-3174283												
Item of Form (identify)	Answer												
	<p><u><b>Assets under Management</b></u>                      <u><b>Fee</b></u></p> <table border="0"> <tr> <td>First \$149,999</td> <td>2.50%</td> </tr> <tr> <td>\$150,000 - \$499,000</td> <td>2.25%</td> </tr> <tr> <td>\$500,000 - \$999,000</td> <td>2.00%</td> </tr> <tr> <td>\$1,000,000 - \$2,999,000</td> <td>1.75%</td> </tr> <tr> <td>\$3,000,000 - \$4,999,000</td> <td>1.50%</td> </tr> <tr> <td>Greater than \$5,000,000</td> <td>Negotiable</td> </tr> </table> <p>Fees will be billed in advance on a quarterly basis, beginning on the first day of the first full month that the Advisor has client's assets under management. Fractional months will be billed on a pro-rata basis in the first billing and fees will be billed quarterly thereafter. No fee adjustments will be made for partial withdrawals.</p> <p>For new accounts, the Advisor will begin charging its fee the date the account has received a deposit or transfer of assets. Fees will generally be deducted directly from the client's brokerage account pursuant to a written agreement. Advisory fees charged by the Advisor separate and distinct from fees and expenses charged by the mutual funds that may be recommended to clients. A description of these fees and expenses can be found through various electronic means including <a href="http://www.closed-endfunds.com">www.closed-endfunds.com</a>, or contacting the fund directly. Additionally, the fees paid to the Advisor are exclusive of custodial and transaction costs paid to custodians, brokers, or any other third parties. Clients should review all fees charged and fully understand the total amount of fees to be paid.</p> <p>The Adviser shall not be compensated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of Client and is limited to withdrawing only the contractually agreed upon advisory fees from Client's Account. Quarterly statements identifying the client's quarter end account balance and the investment advisory fee due will be generated and delivered to each Client via first class mail. Advisory fees will be withdrawn from Client's Account ten days after the statement date. Client should immediately contact Adviser if Client believes advisory fees have been improperly calculated for their Account.</p> <p>Either the client or the Advisor may terminate the investment advisory contract at any time by providing written notice of such election to the other party. Written notice must be delivered via certified mail (or other equivalent method requiring a signature) to insure receipt. Termination will become effective upon receipt of such written notice. Upon termination, the fees charged for advisory services will be refunded on a pro-rata basis. The client is responsible to pay for services rendered until the termination of the agreement.</p> <p><b>PROXY POLICY</b></p> <p>Notwithstanding the Advisor's discretionary authority to make investment decisions on behalf of clients, the Advisor will not exercise proxy or class action</p>	First \$149,999	2.50%	\$150,000 - \$499,000	2.25%	\$500,000 - \$999,000	2.00%	\$1,000,000 - \$2,999,000	1.75%	\$3,000,000 - \$4,999,000	1.50%	Greater than \$5,000,000	Negotiable
First \$149,999	2.50%												
\$150,000 - \$499,000	2.25%												
\$500,000 - \$999,000	2.00%												
\$1,000,000 - \$2,999,000	1.75%												
\$3,000,000 - \$4,999,000	1.50%												
Greater than \$5,000,000	Negotiable												

**Schedule F of  
Form ADV**

Applicant:  
**Schultz Investment Advisors,  
Inc.**

SEC File Number:

Date:  
12/31/2008

**Continuation Sheet for Form ADV Part II**

(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: <b>Schultz Investment Advisors, Inc.</b>	IRS Empl. Ident. No.: 38-3174283
Item of Form (identify)	Answer
	<p>voting authority over client securities. The obligation to vote proxies and class actions shall at all time rest with the client. Clients shall in no way be precluded from contacting the Advisor for advice or information about a particular proxy or class action vote. However, the Advisor shall not be deemed to have proxy voting authority solely as a result of providing such advice to clients.</p> <p>Should the Advisor inadvertently receive proxy or class action information for a security held in a client's account, the Advisor will immediately forward such information on to client, but will not take any further action with respect to the voting of such proxy or class action. Upon termination of an agreement with a client, the Advisor shall make a good faith and reasonable attempt to forward proxy or class action information inadvertently received by the Advisor on behalf of client to the forwarding address provided by client to the Advisor.</p>
Item 4.B	<p><b>SOURCES OF INFOIRMATION</b></p> <p>The Advisor will obtain information from a number of websites which provide research and additional information on closed end funds. Currently, the Advisor references information available related to closed-end funds from the following websites:</p> <p>Closed End Fund Association – <a href="http://www.cefa.com">www.cefa.com</a>          ETF Connect – <a href="http://www.etfconnect.com">www.etfconnect.com</a>          Thomas J. Herzfeld Advisors, Inc. – The Investor's Guide to Closed-End Funds  <a href="http://www.herzfeldresearch.com">www.herzfeldresearch.com</a></p>
Item 5	<p><b>EDUCATION AND BUSINESS STANDARDS</b></p> <p>The Advisor requires successful completion of university study and/or its educational and business equivalent. The Advisor selects only those persons who have demonstrated knowledge of the financial and economic principals needed in providing sound financial and investment advice. Additionally, all those rendering advice must be committed to a plan of continued education and certification.</p>
Item 6	<p><b>EDUCATION AND BUSINESS BACKGROUND</b></p> <p><b>Scott T. Schultz</b>          Year of Birth: 1957</p> <p>Formal Education after High School:          Michigan State University, BA in Journalism</p> <p>Business Background for the Preceding Five Years:</p> <ul style="list-style-type: none"> <li>May 1994 to Present          Chairman and Chief Investment Strategist, Schultz Investment Advisors, Inc.</li> <li>May 2004 to Present          Registered Representative, Calton &amp; Associates, Inc.</li> </ul>

**Schedule F of  
Form ADV**

Applicant:  
**Schultz Investment Advisors,  
Inc.**

SEC File Number:

Date:  
12/31/2008

**Continuation Sheet for Form ADV Part II**

(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: <b>Schultz Investment Advisors, Inc.</b>	IRS Empl. Ident. No.: 38-3174283
Item of Form (identify)	Answer
	<ul style="list-style-type: none"> <li>July 1998 to May 2004 Registered Representative, LaSalle St. Securities, LLC</li> </ul>
Item 8. C (1)	<p><b>OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS</b></p> <p>Individuals affiliated with the Advisor may be registered representatives with Calton &amp; Associates, Inc., ("Calton") a registered broker/dealer and member of the NASD. Calton is a full service broker/dealer, whose offerings include general securities, load and no-load mutual funds, fixed and variable annuities, variable life insurance, and direct participation programs. Individuals affiliated with the Advisor may recommend securities, asset management, or insurance products offered by Calton. If clients purchase such products through individuals associated with the Advisor, the individual may receive commissions or fees from Calton. Thus, a conflict of interest may exist between the Advisor and advisory clients.</p>
Item 9.E	<p><b>PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS</b></p> <p>The Advisor or its employees may trade for their own account in securities that are recommended to Advisor's clients. The Advisor maintains a file of all proprietary and employee securities transactions. Such transactions are reviewed by an officer of the company on a quarterly basis. If the possibility of a conflict of interest occurs, the clients' interests will prevail.</p> <p>To avoid any potential conflicts of interest involving personal trades, the Advisor has adopted a Code of Conduct and Regulatory Compliance Manual (the "Compliance Manual"), which includes a formal Code of Ethics and Insider Trading policies and procedures. The Compliance Manual requires, among other things, that employees:</p> <ul style="list-style-type: none"> <li>Act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets;</li> <li>Place the integrity of the investment profession, the interests of clients, and the interests of Advisor above one's own personal interests;</li> <li>Adhere to the fundamental standard that they should not take inappropriate advantage of their position;</li> <li>Avoid any actual or potential conflict of interest;</li> <li>Conduct all personal securities transactions in a manner consistent with the Code of Ethics;</li> <li>Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities;</li> <li>Practice and encourage others to practice in a professional and ethical manner that will reflect credit on themselves and the profession;</li> </ul>

**Schedule F of  
Form ADV**

Applicant:  
**Schultz Investment Advisors,  
Inc.**

SEC File Number:

Date:  
12/31/2008

**Continuation Sheet for Form ADV Part II**

(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: <b>Schultz Investment Advisors, Inc.</b>	IRS Empl. Ident. No.: 38-3174283
Item of Form (identify)	Answer
	<ul style="list-style-type: none"> <li>• Promote the integrity of, and uphold the rules governing, capital markets;</li> <li>• Maintain and improve their professional competence and strive to maintain and improve the competence of other investment professionals; and</li> <li>• Comply with applicable provisions of the federal securities laws.</li> </ul> <p>The Advisor's Compliance Manual also requires employees to: 1) pre-clear certain personal securities transactions, 2) report personal securities transactions on at least a quarterly basis, and 3) provide the Advisor with a detailed summary of certain holdings (both initially upon commencement of employment and annually thereafter) over which the employee has a direct or indirect beneficial interest.</p> <p>A copy of Advisor's Code of Ethics is available to any client or prospective client upon request.</p>
Item 10	<p><b>MINIMUM CONDITIONS</b></p> <p>Generally, the minimum dollar value of assets required to set up an investment advisory account is \$50,000. However, the Advisor has discretion to waive the account minimum at its discretion. Accounts of less than \$50,000 may be set up when the client and the Advisor anticipate that the client will add additional funds to the account bringing the total to \$50,000 within a reasonable time. Other exceptions may apply to employees of the Advisor and their relatives, or relatives of existing clients and others based on the discretion of the Advisor, as mentioned above. Also, the Advisor assesses a minimum annual fee of \$1,500 to accounts receiving ongoing asset management services. Accounts with a small balance may pay a higher annual fee than those normally charged by other investment advisors.</p>
Item 12.A (1 – 4)	<p><b>INVESTMENT BROKERAGE OR DISCRETION</b></p> <p>When a client agrees to discretionary management, the Advisor will be responsible for selecting the amount of securities to be bought and sold. The only limitations on the investment authority will be those limitations imposed in writing by the client.</p> <p>In the course of providing services, the Advisor will execute trades for clients through various broker-dealers. Generally most trades will be placed with the broker/dealer that has custody over the client assets. However, when the Advisor has broker discretion, there is no restriction on the brokers that may be selected to execute client transactions. When placing portfolio transactions, the Advisor will seek to obtain best execution for the clients, taking into account the following factors: the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected, taking into account the size of the order and difficulty of execution; the financial strength, integrity, and stability of the broker; the firm's risk in positioning a block of securities; the quality, comprehensiveness and frequency of available research services considered to be of value; and the competitiveness of commission rates in comparison with other brokers satisfying the Advisor's other selection criteria.</p>

**Schedule F of  
Form ADV**

Applicant:

**Schultz Investment Advisors,  
Inc.**

SEC File Number:

Date:

**12/31/2008**

**Continuation Sheet for Form ADV Part II**

(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: <b>Schultz Investment Advisors, Inc.</b>	IRS Empl. Ident. No.: 38-3174283
Item of Form (identify)	Answer
Items 12.B & 13.A	<p>Transactions for each client account generally will be effected independently, unless the Advisor decides to purchase or sell the same securities for a number of client accounts simultaneously. When possible, orders for the same security may be combined or “batched” to facilitate best execution and to allocate equitably among the Advisor’s clients differences in prices that might have resulted had such orders been placed independently. Accounts in which a related person or affiliate of the Advisor has a financial interest may participate in batched transactions with the Advisor’s other advisory clients so as long as the client accounts are not disadvantaged. The Advisor effects batched transactions in a manner designed to ensure that no participating client, including any related account, is favored over any other client. Specifically, each client that participates in a batched transaction will participate at the average share price for all of the Advisor’s transactions in that security on that business day, with respect to that batched order. In the event that a batched transaction is not completed (e.g., the order is only partially fill) securities purchased or sold in the transaction are allocated pro-rata, when possible, to the participating client accounts in proportion to the size of the order placed for the account. The Advisor may, however, increase or decrease the amount of securities allocated to each account if necessary to avoid holding odd-lot or small numbers of shares for particular clients. Additionally, if the Advisor is unable to fully execute a batched transaction and the Advisor determines that it would be impractical to allocate a small number of securities among the accounts participating in the transaction on a pro-rata basis, the Advisor may allocate such securities in a manner determined in good faith to be a reasonable and fair allocation.</p> <p>Recommended Broker - Southwest Securities, Inc.</p> <p>SIA will absorb all commissions and transaction costs associated with client trades executed through Southwest Securities, Inc.</p> <p>The Advisor requires that clients open a brokerage account with Southwest Securities, Inc. No other brokers are currently used by the Advisor and the Advisor will not take custody of client accounts. While there is no direct affiliation between the investment advice given to clients and the Advisor’s recommendation of Southwest Securities, there are economic benefits that are received by the Advisor from Southwest Securities. These benefits do not depend on the amount of transactions directed by the Advisor to Southwest Securities. These benefits may include a dedicated trading desk to service clients of the Advisor, a dedicated service group and an account services manager dedicated to the Advisor’s accounts, access to a real time order matching system, the ability to block client trades, electronic downloads of trades, balances and positions in Southwest’s portfolio management software, access to an electronic interface with Southwest’s software, duplicate and batched client statements, confirmations and year-end summaries, and the ability to have advisory fees directly debited from client accounts (in accordance with federal and state requirements).</p>

**Schedule F of  
Form ADV**

Applicant:  
**Schultz Investment Advisors,  
Inc.**

SEC File Number:

Date:  
12/31/2008

**Continuation Sheet for Form ADV Part II**

(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: <b>Schultz Investment Advisors, Inc.</b>	IRS Empl. Ident. No.: 38-3174283
Item of Form (identify)	Answer	
Item 13.B	<b>ADDITIONAL COMPENSATION</b>  The Advisor has arrangements and compensates affiliated and non-affiliated persons for referring clients to the Advisor. The Advisor's payment of a referral does not affect the fees paid by an advisory client. In the case of a referral made by a non-affiliated solicitor, a separate written disclosure statement that outlines the compensation arrangement will be provided to the client being referred.	