

Item 1 – Cover Page

Schultz Financial Management Corp.

1171 Appian Way; Santa Ana, CA 92705

714-731-0848

www.schultzfinancial.com

March 30, 2012

This Brochure provides information about the qualifications and business practices of Schultz Financial Management Corp. If you have any questions about the contents of this Brochure, please contact us. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Schultz Financial Management Corp. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser. Additional information about Schultz Financial Management Corp. is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This Brochure dated March 31, 2011 is a new document prepared according to the SEC's new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require. In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

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Item 4 – Advisory Business

Schultz Financial Management Corp. (hereafter “SFMC”), is a fee-only Registered Investment Adviser that provides *Financial Planning* and *Portfolio Management* services. Financial Planning is only offered in conjunction with Portfolio Management.

Financial Planning is a comprehensive and holistic pro-active process to understanding and providing solutions to the major financial challenges of a client. It begins with the creation of a documented plan that integrates all areas of financial planning including cash flow, tax planning, risk management (i.e., insurance), estate planning, and portfolio management. After the initial planning process and client approval, SFMC assists with implementation of the plan including collaboration with client’s other advisors, such as estate planning attorneys, CPAs, insurance specialists, etc. SFMC recommends the plan be updated as client’s financial circumstances change.

Portfolio Management Service provides continuous advice to clients about the investment of their monies based on their individual needs and objectives. It includes ongoing advisement, management, and monitoring of investments in many forms including:

- Brokerage accounts, mutual funds, college savings plans, and bank accounts
- Private or public sector retirement plans such as 401(k)s or 403(b)s
- Life insurance products such as variable annuities or variable life policies
- real estate, private placements, commodities, and other alternative investments

SFMC normally manages client accounts on a discretionary basis, but may offer non-discretionary management services in certain situations. In either case, SFMC will evaluate the client’s financial condition and risk tolerance in order to tailor its service to meet the client’s investment objectives and individual needs. SFMC invests primarily in exchange-listed stocks, bonds, mutual funds, and exchange-traded funds. In some instances, SFMC may recommend investments in real estate through private placement offerings.

As of March 30, 2012 SFMC had approximately the following amounts under management
Discretionary Accounts: \$ 52,560,469
Non Discretionary Accounts: \$5,323,041
Total \$ 57,883,510

Item 5 – Fees and Compensation

Initial Planning Fees apply to new clients who engage SFMC for comprehensive financial planning or investment planning only.

The Initial Planning Fee for comprehensive financial planning is determined based upon a client's investment net worth and the complexity of their financial situation. For example, a retiree facing few financial issues would be at the low end of the range, while business owners, real estate investors, or corporate executives with more complex situations may be higher. The Initial Planning Fee will be due 50% in advance and 50% upon completion and approval of the plan and generally be determined under the following guidelines.

Initial Planning Fee (one-time)		
<u>Investment Net Worth</u>	<u>Comprehensive Planning</u>	<u>Investment Planning Only</u>
Less than 1 million	\$ 1,000 - \$ 2,000	\$ 300 - \$500
\$ 1 million to \$ 3 million	\$ 1,500 - \$ 3,000	\$ 500 - \$700
Over \$3 million	determined on a case by case basis	

Modifications or changes to the Comprehensive Plan are performed without additional cost in the first year. After the first year, updates to the Comprehensive Plan will be performed at the client's request for \$300. Updates or changes that only impact the Investment Plan (also known as Investment Policy Statement) will be performed as changes are made without additional cost.

Initial planning that is very limited in scope may be quoted separately based upon estimated work involved. SFMC's hourly billing rate is \$250 / hour.

Portfolio Management Fees

After the Initial Plan is completed and approved by Client, SFMC will assist client in the implementation of the plan and provide ongoing portfolio management under a quarterly fee arrangement as follows.

<u>Assets under Management</u>	<u>Quarterly Asset Fee</u>
First \$1 million	.25% (1.0% annual)
Next \$2 million	.2125% (0.85% annual)
Amount over \$3 million	.175% (0.75% annual)

Minimum Quarterly Fee:

Lower of \$1,250 or .625% (2.5% annual) of Assets under Management

Asset management fees apply to all investments recommended and monitored by SFMC, unless under special circumstances, a different rate is negotiated for a particular investment.

Some existing clients may be paying different fees under older agreements. Their fees will remain unchanged unless a new agreement is established.

The specific manner in which fees are charged by SFMC is established in a client's written agreement with SFMC. SFMC will generally bill its fees on a quarterly basis in arrears each calendar quarter. Clients may elect to have fees debited from brokerage accounts.

SFMC's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, custodial fees, deferred sales charges, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds, exchange traded funds, and variable insurance products also charge internal fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to SFMC's fee, and SFMC shall not receive any portion of these commissions, fees, and costs.

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

SFMC does not offer performance-based fee business as its normal course of business. In certain instances, SFMC may enter into performance fee arrangements upon specific request of a client if qualifying under SEC guidelines. Such fees are subject to individualized negotiation with the client. Regardless of fee structure, SFMC has procedures designed and implemented to ensure that all clients are treated fairly and equally with respect to order execution.

Item 7 – Types of Clients

SFMC provides portfolio management services to individuals, pension and profit-sharing plans, trusts, estates, and charitable organizations.

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

Although SFMC makes every effort to preserve each client's capital and achieve real growth of wealth, investing in securities involves risk of loss that clients should be prepared to bear. Clients entering into a management agreement with SFMC should be aware that stock values will fluctuate and when investing in stocks, the risk of significant loss exists. The value of bonds is subject to movements in interest rates, along with the all important structure and the credit characteristics of the individual securities. Clients investing in bonds should be aware that there is moderate risk of loss. The value of both stocks and bonds are influenced by economic conditions both domestically and globally.

Investment Strategies

Because each client has their own unique investment experience and expectations with respect to investment strategy, SFMC uniquely designs each client portfolio. Consideration is given to existing investments, income needs, risk tolerance, and tax situation. Most important, SFMC considers the client expressed preferences regarding investment approach and choice of investment vehicles (e.g., individual stocks and bonds, mutual funds, or a combination)

SFMC constructs passive portfolios, actively managed portfolios, or a combination. Our passive portfolios rely heavily on asset diversification for risk management. Our actively managed portfolios employ trend following techniques to further reduce during market down-trends.

Methods of Analysis

Stocks: SFMC uses a quantitative or mathematical approach to managing individual stocks within client portfolios. Extensive research and computer modeling is performed to determine how best to combine technical and fundamental factors, along with diversification constraints to achieve optimal balance of risk/reward. SFMC develops its own proprietary models and subscribes to model portfolios offered by 3rd party financial service providers. SFMC also subscribes to several independent stock ranking services and newsletters.

Bonds: Individual bonds are purchased for clients on a case by case basis. SFMC examines research generated by bond broker-dealers and ratings provided by credit rating agencies such as Standard & Poor's and Moody's to determine the financial strength of issuing creditors. When selecting bonds to purchase, SFMC considers the yield curve which is the relation between the interest rate and the time to maturity. SFMC compares current yield spreads or difference in yields between different types of bonds, along with historical norms, and considers the potential changes in those spreads which may occur over the business cycle. SFMC also examines call provisions, liquidity factors, and bond insurance. With respect to corporate bonds, SFMC considers the potential business risk of the issuing company, including those associated with the business cycle.

Mutual Funds: To analyze mutual funds, SFMC uses various sources of information including data provided by Morningstar as well as the fund providers. SFMC reviews key characteristics such as manager tenure, historical performance, consistency of returns, turnover, risk level, size of fund, etc. Expense ratios as well as short term redemption fees are also significant factors in fund selection. In many instances, SFMC will talk to a manager of the mutual fund to gain a better understanding of the investment philosophy and management style. When evaluating closed-end funds SFMC also considers, use of leverage, trading volume, discount or premium of the price to its net asset value, and its discount/premium history.

Exchange Traded Funds (ETFs): Most ETFs track a particular index by holding the actual securities that make up an index. SFMC may at times hold such ETFs in lieu of individual

securities. SFMC may also use special purpose ETFs such as inverse ETFs and leveraged ETFs in order to increase or hedge market exposure in actively managed accounts. SFMC considers the historical and recent trading volume, volatility, and tracking error when considering ETFs for purchase in client portfolios.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client’s evaluation of SFMC or the integrity of SFMC’s management. SFMC has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

We have not provided information on other financial industry activities and affiliations because we are not affiliated, through control or ownership, with any other entity that provides financial services.

Item 11 – Code of Ethics

SFMC believes that we owe clients the highest level of trust and fair dealing. As a fiduciary, we place the interests of our clients ahead of the interests of the firm and our personnel. SFMC personnel are required to conduct themselves with integrity at all times and follow the principles detailed in the NAPFA Code of Ethics below.

NAPFA Code of Ethics

Objectivity

NAPFA members strive to be as unbiased as possible in providing advice to clients and NAPFA members practice on a fee-only basis.

Confidentiality

NAPFA members shall keep all client data private unless authorization is received from the client to share it. NAPFA members shall treat all documents with care and take care when disposing of them. Relations with clients shall be kept private.

Competence

NAPFA members shall strive to maintain a high level of knowledge and ability. Members shall attain continuing education at least at the minimum level required by NAPFA. Members shall not provide advice in areas where they are not capable.

Fairness & Suitability

Dealings and recommendation with clients will always be in the client's best interests. NAPFA members put their clients first.

Integrity & Honesty

NAPFA members will endeavor to always take the high road and to be ever mindful of the potential for misunderstanding that can accrue in normal human interactions. NAPFA members will be diligent to keep actions and reactions so far above board that a thinking client, or other professional, would not doubt intentions. In all actions, NAPFA members should be mindful that in addition to serving our clients, we are about the business of building a profession and our actions should reflect this.

Regulatory Compliance

NAPFA members will strive to maintain conformity with legal regulations.

Full Disclosure

NAPFA members shall fully describe method of compensation and potential conflicts of interest to clients and also specify the total cost of investments.

Professionalism

NAPFA members shall conduct themselves in a way that would be a credit to NAPFA at all times. NAPFA membership involves integrity, honest treatment of clients, and treating people with respect.

NAPFA Fiduciary Oath

The advisor shall exercise his/her best efforts to act in good faith and in the best interests of the client. The advisor shall provide written disclosure to the client prior to the engagement of the advisor, and thereafter throughout the term of the engagement, of any conflicts of interest, which will or reasonably may compromise the impartiality or independence of the advisor. The advisor, or any party in which the advisor has a financial interest, does not receive any compensation or other remuneration that is contingent on any client's purchase or sale of a financial product. The advisor does not receive a fee or other compensation from another party based on the referral of a client or the client's business.

What the Fiduciary Oath means to SFMC clients

- I shall always act in good faith and with candor.
- I shall be proactive in my disclosure of any conflicts of interest that may impact you.
- I shall not accept any referral fees or compensation that is contingent upon the purchase or sale of a financial product.

Item 12 – Brokerage Practices

SFMC does not receive compensation or client referrals from any broker-dealer or third party in exchange for using that broker-dealer or third party.

SFMC may suggest particular broker-dealer firms to advisory clients depending on the Client's situation and strategies. SFMC usually recommends TD Waterhouse Institutional Services and/or Foliofn Institutional Services. TD Waterhouse Institutional Services is recommended because of the breadth of their mutual fund offerings, competitive commission rates, efficient on-line trading and administrative capabilities, as well as SFMC's overall satisfaction with their operations over several years for existing clients. Foliofn Institutional Services is recommended because of their superior technology and competitive fees for actively managed stock accounts.

SFMC may own an interest in, buy or sell for SFMC personnel, securities or other investments which he may recommend that clients buy or sell. In order to prevent a conflict of interest, SFMC has a policy that the firm will not affect any cross trades between client and SFMC personnel or related party.

SFMC may receive soft dollar benefits from a custodian such as free research, free educational opportunities, and discounts on 3rd party software or other services that may help SFMC more effectively operate or grow their business, but not provide a direct benefit to clients.

Item 13 – Review of Accounts

For actively managed portion of client portfolios, SFMC reviews all Clients' account holdings daily. All other portfolio assets are reviewed at least monthly in conjunction with preparing monthly consolidated statements. Clients are encouraged to have a meeting with SFMC at least once per year to review their portfolio as a whole, ensuring that the investment approach aligns with their current financial condition and is consistent with their documented Investment Plan (i.e, Investment Policy Statement). All reviews are performed by Richard B. Schultz, CFP®. Clients are provided a monthly consolidated portfolio statement that shows all of the Client's investment assets, with the percentage attributable to each asset class and each investment style (mutual fund or basket of similar securities). The statement displays the client's actual investment returns for each investment style as well as the whole portfolio over various time periods compared to common benchmark indices. Additionally, net monthly and year-to-date contributions or withdrawals are shown.

Item 14 – Client Referrals and Other Compensation

SFMC may refer clients to unaffiliated professionals for specific needs, such as tax preparation, insurance, estate planning, real estate transactions, financing, etc. In turn, these professionals

may refer clients to SFMC for investment management or financial planning needs. SFMC does not have any referral agreements and does not pay out or receive referral fees.

SFMC only refers clients to professionals that they believe are competent and qualified in their field. However, it is ultimately the client's responsibility to evaluate the provider. It is solely the client's decision whether or not to engage a recommended firm.

Item 15 – Custody

Client's funds and securities will be maintained with a "qualified custodian" as required by the SEC and SFMC will not act as custodian of any client's funds or securities.

Clients should receive monthly or at least quarterly statements from the brokerage firm, bank or other qualified custodian that holds and maintains client's investment assets. SFMC urges you to carefully review such statements and compare such official custodial records to the consolidated account statements that SFMC may provide through a 3rd party reporting service. These statements are intended for quick and easy review of the portfolio diversification and performance. Consolidated statements are not official and may not match the custodial statements exactly due to differences in accounting procedures, reporting dates, or valuation methodologies of certain securities. Further, the consolidated statements could have occasional errors due to faulty electronic data transmission, or human data entry error, or omission.

Item 16 – Investment Discretion

SFMC usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the client's stated Investment Plan or Investment Policy Statement.

Item 17 – Voting *Client* Securities

SFMC does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios.

Item 18 – Financial Information

SFMC is not required to provide financial information to clients, because SFMC does not require the prepayment of fees more than six months in advance; does not take custody of client funds or securities; and does not have a financial condition that is reasonably likely to impair its ability to meet its commitments to clients.

Brochure Supplement

Form ADV, Part 2B Brochure Supplement

Richard B. Schultz
Cecilia Z. Schultz

Schultz Financial Management Corp.

1171 Appian Way
Santa Ana, CA 92705
(714) 731-0848
March 30, 2012

This brochure supplement provides information about Richard B. Schultz and Cecilia Z. Schultz that supplements the Schultz Financial Management Corp. brochure. Additional information about Richard B. Schultz is available on the SEC's website at www.adviserinfo.sec.gov.

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Richard B. Schultz

ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Richard B Schultz, President,

Education:

- BS Computer Science, Moorhead State University, MN 1981
- Certified Financial Planner (CFP®), Certified Financial Planner Board of Standards, Inc., 1995

Business Background:

- Schultz Financial Management Corp., President, Adviser Representative, 8/2003 – present
- Richard Schultz sole proprietor DBA Fee for Service Financial Planning, Orange County, CA, 1997-2003
- Independent Life and Disability Insurance Agent, Orange County, CA 1992-2001
- Registered Representative, Lighthouse Capital Corporation, Monterey, CA, 12/1999 - 7/2001
- Registered Representative, Grant Bettingen, Inc. Irvine, CA 1991-1997
- Software Engineer (various); Southern CA 1981-1991

Professional Designations

Certified Financial Planner

The Certified Financial Planner™ and CFP® (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP® Board”). The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. The CFP® is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. To earn the credential, each CFP® candidate must have a bachelor’s degree (or higher) from an accredited college or university and three years of full-time personal financial planning experience. In addition, candidates must take the CFP® Certification examination and complete a CFP® -board registered program or hold an accepted designation, degree, or license. Every two years, CFP® certificate holders must complete a minimum of 30 hours of continuing education. More information regarding the CFP® is available at <http://www.cfp.net/default.asp>.

ITEM 3 - DISCIPLINARY INFORMATION

Richard B. Schultz has no disciplinary history to disclose.

ITEM 4 - OTHER BUSINESS ACTIVITIES

Richard B. Schultz has no other business activities.

ITEM 5 - ADDITIONAL COMPENSATION

Richard B. Schultz’s compensation comes from his regular salary and ownership of SFMC

ITEM 6 - SUPERVISION

Richard B. Schultz is the President of SFMC and supervises all employees.

ITEM 1 - COVER PAGE

Cecilia Schultz

ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Cecilia Z. Schultz, Office Manager

Education

- MS, Chemistry, California State University, Fullerton, 1993
- BS, Chemistry, California State University, Fullerton, 1991

Business Background:

- Office Manager, Schultz Financial Management Corp, 7/2007 to present
- Scientist, Beckman Instruments, Brea, CA, 6/1991 to 6/2007

ITEM 3 - DISCIPLINARY INFORMATION

Cecilia Z. Schultz has no disciplinary history to disclose.

ITEM 4 - OTHER BUSINESS ACTIVITIES

Cecilia Z. Schultz provides administrative support to SFMC

ITEM 5 - ADDITIONAL COMPENSATION

Cecilia Z. Schultz receives compensation for providing administrative support to SFMC

ITEM 6 - SUPERVISION

Richard Schultz, President, is responsible for supervising Cecilia Schultz activities. Richard Schultz reviews reports prepared by Cecilia Schultz before sending them to clients. Richard Schultz can be reached by calling (714) 731-0848.

PRIVACY STATEMENT

Schultz Financial Management Corp. ("SFMC") is an independent financial planning and investment advisory firm and is committed to keeping the confidential information provided to our firm in the strictest confidence.

To fulfill its responsibilities to you, SFMC requires that you provide current and accurate financial and personal information. We will protect the information you have provided in a manner that is safe, secure, and professional. SFMC and its employees are committed to protecting your privacy and to safeguarding that information.

Safeguarding Client Documents

We collect non-public client data in checklists, forms, written notations, and documentation provided to us by our clients for evaluation, registration, licensing or related consulting services. We also create internal lists of such data. Information we collect includes personal information such as your name, address, phone number, social security number, assets, income, and other financial and family information, and account information such as account numbers, holdings, balances, transaction history and other financial and investment activities.

During regular business hours, access to client records is monitored so that only those with approval may access the files. During hours in which the company is not in operation, the client records will be locked. Furthermore, the computers and servers in which we store personal and financial client information are kept in a secure environment.

Only authorized individuals may obtain personal and financial client information. No individual with authorization to access personal and financial client information will share that information in any manner without the specific consent of a firm principal. Failure to observe SFMC's procedures regarding client and consumer privacy will result in disciplinary action and may lead to termination.

Sharing Nonpublic Personal and Financial Information

SFMC is committed to the protection and privacy of its current and former clients' and consumers' personal and financial information. SFMC will not share such information with an affiliated or non-affiliated third party except:

- When necessary to complete a transaction in a client account, such as with the clearing firm or account custodians;
- When required to maintain or service a client account;
- To resolve client disputes or inquiries;
- With persons acting in a fiduciary or representative capacity on behalf of the client;
- With rating agencies, persons assessing compliance with industry standards, or the attorneys, accountants and auditors of the firm;
- In connection with a sale or merger of SFMC;
- To protect against or prevent actual or potential fraud, identity theft, unauthorized transactions, claims or other liability;
- To comply with federal, state or local laws, rules and other applicable legal requirements;

- In connection with a written agreement to provide investment management or advisory services when the information is released for the sole purpose of providing the products or services covered by the agreement;
- In an circumstances with the client's instruction or consent; or
- Pursuant to any other exceptions enumerated in the California Information Privacy Act.

Opt-Out Provisions

It is not a policy of SFMC to share nonpublic personal and financial information with affiliated or non-affiliated third parties except under the circumstances noted above. Since sharing under the circumstances noted above is necessary to service client accounts or is mandated by the law, there are no allowances made for clients to opt out.

If you feel at any time that SFMC is not abiding by this policy you should contact us immediately at (714) 731-0848