

Cover Page - Item 1

**Zullo Investment Group, Inc.  
DBA  
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**March 12, 2021**

**Form ADV Part 2A Brochure**

Zullo Investment Group, Inc., doing business as Capital Wealth Investments, is a registered investment adviser. An "investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of Zullo Investment Group, Inc. If you have any questions about the contents of this brochure, please contact us at (570) 543-5255. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

**Material Changes - Item 2**

The purpose of this page is to inform you of any material changes since the previous version of this brochure.

On March 12, 2021, we submitted our annual updating amendment filing for fiscal year 2020. We have updated Item 4 of our Form ADV Part 2A Brochure to disclose discretionary assets under management of approximately \$207,434,456, and non-discretionary assets under management of approximately \$0.

If you would like to receive a complete copy of our current brochure free of charge at any time, please contact us at (570) 543-5255.

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#### **Advisory Business - Item 4**

##### **Introduction**

Zullo Investment Group, Inc., doing business as Capital Wealth Investments, (hereinafter "CWI") is a registered investment advisor based in Scranton, Pennsylvania. We are a corporation formed under the laws of the Commonwealth of Virginia. We have been providing investment advisory services since 2020. Tracy A. Zullo is CWI's principal owner.

You may see the term Associated Person throughout this Brochure. As used in this Brochure, this term refers to anyone from our firm who is an officer, employee, and all individuals providing investment advice on behalf of our firm. Where required, such persons are properly registered as investment adviser representatives.

Currently, we offer the following investment advisory services, personalized to each individual client:

- **Portfolio Management Services**
- **Financial Planning Services**
- **Pension Consulting Services**

##### **Portfolio Management Services**

Our firm offers discretionary portfolio management services, which means we will make investment decisions and place buy or sell orders in your account without contacting you. These decisions would be made based upon your stated investment objectives. If you wish, you may limit our discretionary authority by, for example, setting a limit on the type of securities that can be purchased for your account. Simply provide us with your restrictions or guidelines in writing.

Our investment advice is tailored to meet our clients' needs and investment objectives. If you decide to hire our firm to manage your portfolio, we will meet with you to gather your financial information, determine your goals, and help you decide how much risk you should take in your investments. The information we gather will help us implement an asset allocation strategy that will be specific to your goals.

CWI provides advice on various types of securities, such as exchange listed equities, foreign issues, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (including mutual funds and exchange traded funds), US Government securities, options contracts on securities, and interests in partnership investing in real estate. Additionally, we will provide advice on existing investments you may hold at the inception of the advisory relationship or on other types of investments for which you ask advice.

If you engage us for portfolio management services, we will monitor your portfolio's performance on a continuous basis, and rebalance the portfolio whenever necessary, as changes occur in market conditions and/or your financial circumstances.

##### ***Selection of Sub-Advisors***

As part of our overall portfolio management strategy, we may use one or more sub-advisors to manage all or a portion of your account. All sub-advisors recommended by our firm must either be registered as investment advisors or exempt from registration requirements. These sub-advisors may specialize in private equity investments, private credit markets, hedge funds or other types of alternative investments. Factors that we take into consideration when making our recommendations include, but are not limited to, the following: the sub-advisor's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will periodically monitor the sub-advisor's performance to ensure its management and investment style remains aligned with your investment goals and objectives. We retain the right to hire and fire

sub-advisors and the right to reallocate client assets to other model portfolios at the same sub-advisor.

### **Financial Planning Services**

We offer broad-based financial planning, which includes a variety of services, mainly advisory in nature, regarding management of financial resources. Such management is based upon an analysis of the client's individual needs and begins with an initial consultation. Once we collect and analyze all documentation, we provide a financial plan designed to achieve the client's financial goals and objectives. The plan may be delivered in writing, or in the form of one or more meeting or telephone consultations. In this way, CWI assists the client in developing a strategy for the successful management of income, assets, and liabilities. In general, financial planning services may include any one or all of the following, along with any other investment related topic that the client would like to discuss:

- Cash Flow Analysis – Assessment of a client's present financial situation by collecting information regarding net worth and cash flow statements, tax returns, insurance policies, investment portfolios, pension plans, employee benefit statements, etc. The firm advises on ways to reduce risk, coordinate, and organize records, and estate information.
- Retirement Analysis – Identification of a client's long-term financial and personal goals and objectives includes advice for accumulating wealth for retirement income or appropriate distribution of assets following retirement. Tax consequences and implications are identified and evaluated.
- Insurance Analysis – Includes risk management associated with advisory recommendations based on a combination of insurance types to meet a client's needs, e.g., life, health, disability, and long-term care insurance. This will necessitate an analysis of cash needs of family at death, income needs of surviving dependents, and disability income analysis.
- Portfolio Analysis/Investment Planning – We provide investment alternatives, including asset allocation, and effect on a client's portfolio. We evaluate economic and tax characteristics of existing investments as well as their suitability for a client's objectives. We identify and evaluate tax consequences and their implications.
- Education Savings Analysis – Alternatives and strategies with respect to the complete or partial funding of college or other post-secondary education.
- Estate Analysis – We provide advice with respect to property ownership, distribution strategies, estate tax reduction, and tax payment techniques.
- Elder Care Planning – We provide advice with respect to client matters related to periods of incapacity and cognitive decline.

The recommendations and solutions are designed to achieve the desired goals subject to periodic evaluation of the financial plan, which may require revision to meet changing circumstances. Financial plans are based on a client's financial situation based on the information provided to the firm. We should be notified promptly of any change to a client's financial situation, goals, objectives, or needs.

#### *Important Note:*

Information related to legal or tax matters that is provided as part of our services is for informative purposes only. Clients are instructed to contact their attorneys or tax professionals for legal or tax services.

### **Pension Consulting Services**

CWI provides several pension consulting related services. While the primary clients for these services will be pension, profit sharing and 401(k) plans, CWI will also offer these services, where appropriate, to individuals and trusts, estates and charitable organizations. Pension Consulting Services are comprised of the following components. Clients may choose to use any or all of these services.

#### *Investment Policy Statement Preparation ("IPS"):*

CWI will meet with the client (in person or over the telephone) to determine an appropriate investment strategy that reflects the plan sponsor's stated investment objectives for management of the overall plan. CWI then prepares a written IPS detailing those needs and goals, including an encompassing policy under which these goals

are to be achieved. The IPS also lists the criteria for selection of investment vehicles as well as the procedures and timing interval for monitoring of investment performance.

#### Selection of Investment Vehicles

CWI will create or review the plan's investment lineup, primarily consisting of mutual funds (both index and managed) and clients will select the lineup that is most appropriate for their investment needs. The plan's investment lineup may also include individual equities, bonds, and other investment products. The number of investments to be recommended will be determined by the plan, based on the plan's stated goals.

#### Monitoring of Investment Performance

Client investments will be monitored and reviewed based on the procedures and timing intervals outlined in the agreement with the client. Where CWI has no access to client account statements, the client is instructed to make such statements available to the firm. Although CWI will not be involved in any way in the purchase or sale of these investments, CWI will make recommendations to the client as market factors and the client's needs dictate.

#### Employee Communications

For pension, profit sharing and 401(k) plans where the individual account participant exercises control over assets in their own account (hereinafter "self-directed plans"), CWI also provides educational support designed for the plan participants. The nature of the topics to be covered will be determined by CWI and the client under the guidelines established in Employee Retirement Income Securities Act ("ERISA"). Educational support services will NOT provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

Other pension consulting services are available on request. All of our pension consulting services, whether general or customized, will be outlined in an agreement that shows the services that will be provided and the fees that will be charged for those services.

CWI is registered as an investment advisor and represents that it is not subject to any disqualification as set forth in ERISA. To the extent CWI performs Fiduciary Services, CWI acts as a fiduciary of the plan as defined in Section 3(21) under the Employee Retirement Income Security Act ("ERISA").

#### **Wrap Fee Programs**

We do not sponsor or manage wrap fee programs.

#### **Assets Under Management**

As of February 23, 2021, we manage approximately \$207,434,456 in client assets on a discretionary basis and approximately \$0 in client assets on a non-discretionary basis.

### Fees and Compensation - Item 5

#### **Portfolio Management Services Fees**

For portfolio management services, CWI charges an annual fee of up to 1.80% of assets under management. Fees are payable quarterly in advance and are based on the value of assets on the last day of the previous calendar quarter. Fees will be pro-rated for the first partial quarter. The fees charged by sub-advisors for the management of portions of your portfolio are separate and distinct from our fees. Sub-advisors debit their fees directly from your account. We do not share in the fee charged by sub-advisors.

Portfolio management fees are negotiable depending on factors such as the amount of assets under management, range of investments, and complexity of the client's financial circumstances, among others. The agreed upon fee to be paid by the client will be clearly stated in the Agreement signed by the client and the firm.

Generally, the custodian holding the client's account will deduct CWI's fees and any other custodial fees directly from a designated account to facilitate billing provided the client has given written authorization. The qualified custodian will send an account statement at least quarterly. This statement will detail all account activity. Fees may be deducted from a single designated client account to facilitate billing. In limited circumstances, at the sole discretion of CWI, we may agree to invoice you directly for our advisory fee or we may negotiate other fee payment arrangements.

Our annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which will be incurred by the client. However, we will not receive any portion of the commissions, fees, and costs. Please see Item 12 – Brokerage Practices for further information on brokerage and transaction costs.

The portfolio management agreement between the client and CWI will continue in effect until either party terminates the agreement in accordance with the terms of the agreement. CWI's annual fee will be pro-rated through the date of termination. Should termination occur at any time other than the end of a billing period, any unearned, prepaid fee will be refunded to the client.

#### **Financial Planning Services Fee**

We charge a fee of up to \$3,000 for standalone financial planning services. Clients who hire us for portfolio management services will receive an offset of the financial planning fee.

The proposed services and applicable fees will be detailed in an executed financial planning agreement. Fees shall be payable upon execution of the financial planning agreement. Under no circumstances will CWI require prepayment of a fee more than six months in advance and in excess of \$1,200.

Either party may terminate the financial planning agreement by providing written notice to the other party. In the event there are any prepaid, unearned fees at the time of termination, CWI will promptly refund a *pro rata* share to the client.

#### **Pension Consulting Services Fees**

The compensation arrangement for pension consulting services is based on fixed fees, or a percentage of the plan assets. Services will be negotiated on a case-by-case basis. The exact services to be provided, the fee to be paid by the client, fee payment arrangements, how to terminate the contract, and other terms will be clearly stated in the pension consulting agreement signed by the client and CWI. Clients who choose to have CWI's fee deducted directly from their account must provide authorization. The qualified custodian holding client funds and securities will send an account statement on at least a quarterly basis. This statement will detail account activity. Clients are encouraged to review each statement for accuracy.

#### **Additional Fees and Expenses**

The fees CWI charges are negotiable based on the amount of assets under management, complexity of client goals and objectives, and level of services rendered. The fees are charged as described above and are not based on a share of capital gains of the funds of any advisory client.

All fees paid to CWI for investment advisory services are separate and distinct from the fees and expenses charged to shareholders by mutual funds, exchange traded funds or other investment companies. These fees and expenses are described in each fund's prospectus. These fees generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, you may pay an initial or deferred sales charge.

You could invest in an investment company directly, without the services of CWI. In which case, you would not receive the services provided by CWI, which are designed, among other things, to assist you in determining which fund or funds are most appropriate to your financial condition and objectives. Accordingly, you should review both

the fees charged by the funds and the fees charged by CWI to fully understand the total amount of fees to be paid by you to evaluate the advisory services being provided.

We do not represent, warrant, or imply that the services or methods of analysis employed by us can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

**Compensation for the Sale of Investment Products**

Certain Executive Officers and other Associated Persons of CWI are registered representatives with Mutual Securities, Inc. (“MSI”), a registered broker dealer and a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”). In their capacity as registered representatives, these persons will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by these persons in their capacities as registered representatives, is separate from our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than based solely on your needs. **Clients of our firm have the option to purchase investment products that our dually registered Associated Persons recommend through other brokers and agents.**

Certain Executive Officers and other Associated Persons of CWI are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than based solely on your needs. **Clients of our firm are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.**

**Executive Officers and Associated Persons of CWI will never receive commissions on securities transactions in advisory accounts managed by CWI.**

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

Performance-based fees are based on a share of capital gains on or capital appreciation of the client’s assets. Our Associated Persons and we do not accept performance-based fees.

**Types of Clients - Item 7**

We generally offer investment advisory services to individuals, pension and profit sharing plans and participants, trusts, estates, charitable organizations, corporations, and other business entities.

CWI generally requires a minimum account size of \$100,000 to open and manage an advisory account. However, in its discretion, from time to time, CWI may accept smaller accounts based on various criteria, such as anticipated future assets, related accounts, and other factors.



**Methods of Analysis, Investment Strategies and Risk of Loss - Item 8**

CWI advisors will use various methods to determine an appropriate investment strategy. We seek to recommend investment strategies or products that will give you a diversified portfolio consistent with your investment objective. We do this by analyzing the various products, investment strategies, and money management firms to which we provide access. That analysis includes a review of the structure, cost, and investment performance history of each program.

We may use one or more of the following methods of analysis and/or investment strategies when providing investment advice to you:

- **Fundamental Analysis** – Involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The primary risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.
- **Technical Analysis** – Technical analysis is a technique that relies on the assumption that current market data (such as charts of price, volume, and open interest) can help predict future market trends, at least in the short term. It assumes that market psychology influences trading and can predict when stocks will rise or fall. Technical trading models are mathematically driven based upon historical data and trends of domestic and foreign market trading activity, including various industry and sector trading statistics within such markets. Technical trading models, through mathematical algorithms, attempt to identify when markets are likely to increase or decrease and identify appropriate entry and exit points. The primary risk of technical trading models is that historical trends and past performance cannot predict future trends, and there is no assurance that the mathematical algorithms employed are designed properly, updated with new data, and can accurately predict future market, industry, and sector performance.
- **Charting** – Charting is the set of techniques used in technical analysis in which charts are used to plot price movements, volume, settlement prices, open interest, and other indicators, in order to anticipate future price movements. Users of these techniques, called chartists, believe that past trends in these indicators can be used to extrapolate future trends.

We may use one or more of the following investment strategies when advising you on investments:

- **Long Term Purchases** – Securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year. Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.
- **Short Term Purchases** – Securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations. Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect

financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

- **Trading** - Trading involves purchasing securities with the idea of selling them relatively quickly. We may use this strategy to take advantage of our predictions of brief price swings. A trading strategy creates the potential for sudden losses if the anticipated price swing does not materialize, and could result in having a long-term investment in a security that was designed to be a short-term purchase, or the potential of a loss. We do not anticipate using a frequent trading strategy. However, in the event we recommend this strategy for a particular client, they should understand that higher rates of portfolio turnover would likely result in an increase in the account's broker-dealer costs. High portfolio turnover may also result in the realization of net capital gains, and any distributions derived from such gains may be ordinary income for federal tax purposes.
- **Option Writing** – An option is the right either to buy or sell a specified amount or value of a particular underlying investment instrument at a fixed price (i.e. the “exercise price”) by exercising the option before its specified expiration date. Options giving you the right to buy are called “call” options. Options giving you the right to sell are called “put” options. When trading options on behalf of a client, we generally use covered options. Covered options involve options trading when you own the underlying instrument on which the option is based. Investments in options contracts have the risk of losing value in a relatively short period of time. Option contracts are leveraged instruments that allow the holder of a single contract to control many shares of an underlying stock. This leverage can compound gains or losses.

**Investing in securities involves risk of loss that Clients should be prepared to bear.**

The investment advice provided along with the strategies suggested by CWI will vary depending on each client's specific financial situation and goals. This brief statement does not disclose all of the risks and other significant aspects of investing in financial markets. In light of the risks, you should fully understand the nature of the contractual relationship(s) into which you are entering and the extent of your exposure to risk. Certain investing strategies may not be suitable for many members of the public. You should carefully consider whether the strategies employed would be appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

**Recommendation of Particular Types of Securities:** As disclosed under the “Advisory Business” section in this Brochure, we provide advice on various types of securities and we do not necessarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

**General Investment Risk:** All investments come with the risk of losing money. Investing involves substantial risks, including complete possible loss of principal plus other losses and may not be suitable for many members of the public. Investments, unlike savings and checking accounts at a bank, are not insured by the government to protect against market losses. Different market instruments carry different types and degrees of risk and you should familiarize yourself with the risks involved in the particular market instruments in which you intend to invest.

**Loss of Value:** There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be seen as a guide to future returns. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested. Investments may also be affected by any changes in exchange control regulation, tax laws, withholding taxes, international, political and economic developments, and governmental economic or monetary policies.

**Interest Rate Risk:** Fixed income securities and funds that invest in bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, and their prices fall when interest rates rise. Longer-term debt securities are usually more sensitive to interest rate changes.

**Credit Risk:** Investments in bonds and other fixed income securities are subject to the risk that the issuer(s) may not make required interest payments. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

**Foreign Exchange Risk:** Foreign investments may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rates. Changes in currency exchange rates may influence the share value, the dividends or interest earned and the gains and losses realized. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation, and other economic and political conditions. If the currency in which a security is denominated appreciates against the US Dollar, the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

**Risks Associated with Investing in Equities:** Investments in equities generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

**Risks Associated with Investing in Mutual Funds:** Mutual funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. The returns on mutual funds can be reduced by the costs to manage the funds. In addition, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, other types of mutual funds do charge such fees which can also reduce returns.

**Risks Associated with Investing in Exchange Traded Funds (ETF):** Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

**Risks Associated with Investing in Private Funds:** Private investment funds are not registered with the Securities and Exchange Commission and may not be registered with any other regulatory authority. Accordingly, they are not subject to certain regulatory restrictions and oversight to which other issuers are subject. There may be little public information available about their investments and performance. Moreover, as sales of shares of private investment companies are generally restricted to certain qualified purchasers, it could be difficult for a client to sell its shares of a private investment company at an advantageous price and time. Since shares of private investment companies are not publicly traded, from time to time it may be difficult to establish a fair value for the client's investment in these companies.

**Risks Associated with Investing in Options:** Transactions in options carry a high degree of risk. A relatively small market movement will have a proportionately larger impact, which may work for or against the investor. The placing of certain orders, which are intended to limit losses to certain amounts, may not be effective because market conditions may make it impossible to execute such orders. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is

fixed, the seller may sustain a loss well in excess of that amount. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the seller holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

#### Disciplinary Information - Item 9

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or of the integrity of our management. Neither we nor our management person(s) have a history of reportable disciplinary events.

#### Other Financial Industry Activities or Affiliations - Item 10

Certain Executive officers and other Associated Persons of CWI are registered representatives with Mutual Securities, Inc. ("MSI"), a full-service broker-dealer, member FINRA/SIPC. In their capacity as registered representatives, these persons will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by these persons in their capacities as registered representatives, is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. **Clients of our firm have the option to purchase investment products that our dually registered Associated Persons recommend through other brokers and agents.**

Certain Executive officers and other Associated Persons of CWI are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate from our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. **Clients of our firm are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.**

**Executive Officers and Associated Persons of CWI will never receive commissions on securities transactions in advisory accounts managed by CWI.**

#### Code of Ethics, Participation or Interest in Client Transactions and Personal Trading - Item 11

##### **Description of Our Code of Ethics**

CWI has adopted a Code of Ethics (the "Code") to address investment advisory conduct. The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes CWI's policies and procedures developed to protect clients' interests in relation to the following topics:

- The duty at all times to place the interests of clients first;
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the code of ethics;
- The responsibility to avoid any actual or potential conflict of interest or misuse of an employee's

position of trust and responsibility;

- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of clients is confidential; and
- The principle that independence in the investment decision-making process is paramount.

A copy of CWI's Code of Ethics is available upon request to our firm at (570) 543-5255.

#### **Personal Trading Practices**

At times, CWI and/or its related persons may take positions in the same securities as clients, which may pose a conflict of interest with clients. CWI and its related persons will generally be "last in" and "last out" for the trading day when trading occurs in close proximity to client trades. We will not violate our fiduciary responsibilities to our clients. Front running (trading shortly ahead of clients) is prohibited. Should a conflict occur because of materiality (e.g., a thinly traded stock), disclosure will be made to the client(s) at the time of trading. Incidental trading not deemed to be a conflict (e.g., a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price) would not be disclosed at the time of trading.

#### **Brokerage Practices - Item 12**

CWI has an institutional custodial relationship with Charles Schwab & Co., Inc. (Schwab), a FINRA-registered broker-dealer, member SIPC. Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. We are independently owned and operated and not affiliated with Schwab. Schwab will hold your assets in a brokerage account and will buy and sell securities in your account(s) upon our instructions. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and you will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you.

##### *Your Custody and Brokerage Costs*

Schwab generally does not charge you separately for custody services, but is compensated by charging commissions or other fees on trades that it executes or that settle into your Schwab account. In addition to commissions, Schwab charges a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account.

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

Although not considered "soft dollar" compensation, CWI may receive some economic benefits from Schwab Advisor Services in the form of access to its institutional brokerage, trading, custody, reporting and related services, many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us as long as we keep a total of at least \$10 million of our clients' assets in accounts at Schwab. If we have less than \$10 million in client assets at Schwab, Schwab may charge us quarterly service fees. Below is a detailed description of Schwab's support services.

*Services that Benefit You:* Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

*Services that May Not Directly Benefit You:* Schwab also makes available to us other products and services that

benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping, and client reporting.

*Services that Generally Benefit Only Us:* Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants, and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel.

#### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers and custodians with which we have an institutional advisory arrangement. Also, we do not receive other benefits from a broker-dealer in exchange for client referrals.

#### **Directed Brokerage**

In very limited circumstances, and at our sole discretion, some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. In the event that a client directs CWI to use a particular broker/dealer, the firm may not be authorized to negotiate commissions and may not be able to obtain volume discounts or best execution. In addition, under these circumstances, a disparity in commission charges may exist between the commissions charged to clients who direct the firm to use a particular broker/dealer and those that do not..

#### **Trade Aggregation/Block Trading**

We combine multiple orders for shares of the same securities purchased for advisory accounts we manage on a discretionary basis whenever possible and where in the clients' best interests (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. In rare instances, such as partial fills or limited shares of thinly traded or illiquid stocks, it may be necessary to place block trades for only small groups of clients over a period of time. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

#### Review of Accounts - Item 13

##### **Portfolio Management Account Reviews**

CWI monitors directly managed account holdings on a continuous basis and conducts formal account reviews at least annually. Accounts are reviewed by the Associated Person assigned to the account.

Additional reviews may be offered in certain circumstances. Factors that may trigger additional reviews include, but are not limited to, changes in economic conditions, changes in the client's financial situation or investment objectives, or upon client request.

Clients will receive statements directly from their account custodian(s) on at least a quarterly basis. CWI will also provide performance reports on an as needed basis.

#### Client Referrals and Other Compensation - Item 14

CWI has a brokerage and clearing arrangement with Schwab and the firm receives additional benefits from them. These additional benefits are listed under Item 12 above.

CWI and our Associated Persons have ongoing business relationships with various third party vendors and product sponsors. From time to time, these vendors provide advertising development, marketing assistance, software and other services that are designed to assist our firm primarily with client acquisition and servicing. In addition, Associated Persons of our firm attend training and/or due diligence meetings sponsored by such vendors. Some of the products and services made available by such vendors benefit our firm, but may not benefit our clients. These products or services assist us in managing and administering client accounts, including clients who have no direct relationship with these vendors. Other services made available by such vendors are intended to help us manage and further develop our business enterprise. As part of our fiduciary duties to clients, our firm endeavors at all times to put the interests of our clients first. You should be aware, however, that our firm's receipt of economic benefits in and of itself creates a conflict of interest because it gives our firm an incentive to work with vendors that provide such services over vendors that provide no additional services.

CWI does not currently have any client referral or compensation agreements with outside parties as defined by Rule 206(4)-3 of the Investment Advisers Act of 1940 and similar state laws, rules, and regulations.

#### Custody - Item 15

CWI is deemed to have custody of client assets because of the fee deduction authority granted by the client in the Advisory Agreement.

You will receive account statements at least quarterly from the broker-dealer or other qualified custodian holding your account asset. The custodian will not verify the calculation of the advisory fees. You are urged to review custodial account statements for accuracy. CWI will also provide performance report on a regular basis.

#### Investment Discretion - Item 16

CWI offers Portfolio Management Services on a discretionary basis. Clients must grant discretionary authority in



the management agreement. Discretionary authority extends to the types and amounts of securities to be bought and sold in client accounts. Apart from the ability to withdraw management fees, CWI does not have the ability to withdraw funds or securities from the client's account. The client provides CWI discretionary authority to execute trades on behalf of the client's account via a limited power of attorney in the management agreement and in the contract between the client and the custodian.

If you wish, you may limit our discretionary authority, for example, by setting a limit on the type of securities that can be purchased for your account. Simply provide us with your restrictions or guidelines in writing. Please refer to the "Advisory Business" section in this Brochure for more information on our discretionary management services.

#### Voting Client Securities - Item 17

CWI does not vote proxies. It is the client's responsibility to vote proxies. Clients will receive proxy materials directly from the custodian. Questions about proxies may be made via the contact information on the cover page of this brochure.

#### Financial Information - Item 18

We are required in this Item to provide you with certain financial information or disclosures about CWI's, financial condition. CWI does not require the prepayment of over \$1,200, six or more months in advance. Additionally, CWI has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and it has not been the subject of a bankruptcy proceeding.

#### Requirements of State-Registered Advisers - Item 19

**This section is not applicable because our firm is SEC registered.**



### Capital Wealth Investments Privacy Notice

This notice is being provided to you in accordance with the Securities and Exchange Commission's rule regarding the privacy of consumer financial information ("Regulation S-P") and/or comparable state laws. Please take the time to read and understand the privacy policies and procedures that we have implemented to safeguard your nonpublic personal information.

#### **INFORMATION WE COLLECT**

Zullo Investment Group, Inc., doing business as, Capital Wealth Investments, must collect certain personally identifiable financial information about its customers to provide financial services and products. The personally identifiable financial information that we gather during the normal course of doing business with you may include:

- information we receive from you on applications or other forms;
- information about your transactions with us, our affiliates, or others;
- information we receive from a consumer reporting agency.

#### **INFORMATION WE DISCLOSE**

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted or required by law, or as necessary to provide services to you. In accordance with applicable federal and/or state laws, we may disclose all of the information we collect, as described above, to certain nonaffiliated third parties such as our attorneys, accountants, auditors and persons or entities that are assessing our compliance with industry standards. We enter into contractual agreements with all nonaffiliated third parties that prohibit such third parties from disclosing or using the information other than to carry out the purposes for which we disclose the information.

#### **CONFIDENTIALITY AND SECURITY**

We restrict access to nonpublic personal information about you to those employees who need to know that information to provide financial products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

#### **ACCURACY**

Capital Wealth Investments strives to maintain accurate personal information in our client files at all times. However, as personal situations, facts and data change over time; we urge our clients to provide feedback and updated information to help us meet our goals.

## **Tracy A. Zullo**

Personal CRD Number: 4293982  
Principal/Investment Adviser Representative

### **Zullo Investment Group, Inc. DBA Capital Wealth Investments**

132 Adams Avenue  
Scranton, PA 18503

Tel: (570) 543-5255

Fax: (570) 227-2821

[www.CapitalWealthInvestments.com](http://www.CapitalWealthInvestments.com)

**November 19, 2020**

#### **Form ADV Part 2B Brochure Supplement**

This Brochure Supplement provides information about Tracy A. Zullo that supplements the Disclosure Brochure of Zullo Investment Group, Inc., doing business as Capital Wealth Investments (hereinafter "CWI"), a copy of which you should have received. Please contact us at (570) 543-5255 if you did not receive CWI's Disclosure Brochure or if you have any questions about the contents of this Brochure Supplement. Registration does not imply any certain level of skill or training.

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

### Educational Background and Business Experience - Item 2

**Tracy A. Zullo**

Year of Birth: 1972

*Formal Education After High School:*

- Shepherd University; Bachelor of Arts in Marketing and Economics, 1994
- Wilkes University, Master's Degree in Finance, 2003

*Business Background for the Previous Five Years:*

- Zullo Investment Group, Inc., doing business as Capital Wealth Investments, Principal/Investment Adviser Representative, 04/2017 to Present.
- Mutual Securities, Inc., Registered Representative, 06/2017 – Present
- Bernardo Wealth Planning, LLC, d/b/a Capital Wealth Investments, Financial Advisor, 12/2017 – 12/2020
- Platinum Wealth Partners, LLC, d/b/a Capital Wealth Investments, Financial Advisor, 05/2017 – 11/2017
- Wells Fargo Advisors, Managing Director – Investment Officer, 05/2009 – 04/2017
- Wachovia Securities, Managing Director – Investment Officer, 07/2003 – 04/2009

### Disciplinary Information - Item 3

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Mr. Zullo and CWI. Mr. Zullo has no history of reportable legal or disciplinary events.

### Other Business Activities - Item 4

Mr. Zullo is a registered representative with Mutual Securities, Inc. ("MSI"), a full-service broker-dealer, member FINRA/SIPC. In his capacity as a registered representative, Mr. Zullo will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by Mr. Zullo in his capacity as a registered representative is separate from our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than based solely on your needs. Clients of our firm have the option to purchase investment products that our dually registered Associated Persons recommend through other brokers and agents. **Mr. Zullo will never receive commissions on securities transactions in advisory accounts managed by CWI.**

Mr. Zullo is a licensed insurance agent and may recommend insurance products offered by various insurance carriers. Please be advised that there is a conflict of interest in that there is an economic incentive to recommend insurance carriers and other investment products offered through such insurance carriers. The firm addresses the conflict by disclosing the conflict to the client and makes recommendations that are in the best interest of the client. Please also be advised that Mr. Zullo strives to put his clients' interest first and foremost, and clients are not obligated to purchase insurance products through Mr. Zullo or any person affiliated with our firm.

Mr. Zullo spends less than 10% of his professional time on his outside business activities.

**Additional Compensation – Item 5**

Apart from the receipt of compensation from the outside business activities listed under Item 4 above, Mr. Zullo does not receive additional compensation or economic benefits from third party sources in connection to his advisory activities.

**Supervision - Item 6**

Mr. Zullo is an Investment Adviser Representative for CWI. In this capacity, Mr. Zullo is responsible for the management of client portfolios and account reviews.

CWI has implemented a Code of Ethics and an internal compliance program that guides each Associated Person in meeting their fiduciary obligations to clients. Mr. Zullo adheres to the code of ethics and compliance manual as mandated. Mr. Zullo is supervised by Sandra Kosiba Galdieri, the CCO of our firm. Clients may contact us at the phone number listed on the cover of this Brochure Supplement to obtain a copy of the code of ethics.

Additionally, CWI is subject to regulatory oversight by various agencies. These agencies require registration by CWI and its employees, where applicable. As a registered entity, CWI is subject to examinations by regulators, which may be announced or unannounced. CWI is required to periodically update the information provided to these agencies and to provide various reports regarding firm business and assets under management.

**Requirements for State-Registered Advisers - Item 7**

CWI is SEC registered; therefore, this item is not applicable.

**Sandra Galdieri Kosiba**

Personal CRD Number: 1651500

Chief Compliance Officer/Investment Adviser Representative

**Zullo Investment Group, Inc.**

**DBA**

**Capital Wealth Investments**

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Scranton, PA 18503

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Fax: (570) 227-2821

[www.CapitalWealthInvestments.com](http://www.CapitalWealthInvestments.com)

**November 19, 2020**

**Form ADV Part 2B Brochure Supplement**

This Brochure Supplement provides information about Sandra Galdieri Kosiba that supplements the Disclosure Brochure of Zullo Investment Group, Inc., doing business as Capital Wealth Investments (hereinafter "CWI"), a copy of which you should have received. Please contact us at (570) 543-5255 if you did not receive CWI's Disclosure Brochure or if you have any questions about the contents of this Brochure Supplement. Registration does not imply any certain level of skill or training.

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

### Educational Background and Business Experience - Item 2

**Sandra Galdieri Kosiba**

Year of Birth: 1968

*Formal Education After High School:*

Completed coursework at University of Scranton from 1987-1992 (Focus on Business and Finance)

*Business Background for the Previous Five Years:*

- Zullo Investment Group, Inc., doing business as Capital Wealth Investments, CCO/Investment Adviser Representative, 11/2020 to Present.
- Mutual Securities, Inc., Registered Representative, 06/2017 – Present
- Bernardo Wealth Planning, LLC, d/b/a Capital Wealth Investments, Financial Advisor, 12/2017 – 12/2020
- Platinum Wealth Partners, LLC, d/b/a Capital Wealth Investments, Financial Advisor, 05/2017 – 11/2017
- Wells Fargo Advisors, Operations Manager, Registered Sr Associate VP, Investment Officer, 05/2009 – 04/2017
- Wachovia Securities, Operations Manager, Registered Sr Associate VP, Investment Officer, 07/2003 – 04/2009

### Disciplinary Information - Item 3

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Ms. Galdieri and CWI. Ms. Galdieri has no history of reportable legal or disciplinary events.

### Other Business Activities - Item 4

Ms. Galdieri is a registered representative with Mutual Securities, Inc. (“MSI”), a full-service broker-dealer, member FINRA/SIPC. In her capacity as a registered representative, Ms. Galdieri will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by Ms. Galdieri in her capacity as a registered representative is separate from our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than based solely on your needs. Clients of our firm have the option to purchase investment products that our dually registered Associated Persons recommend through other brokers and agents. **Ms. Galdieri will never receive commissions on securities transactions in advisory accounts managed by CWI.**

Ms. Galdieri is a licensed insurance agent and may recommend insurance products offered by various insurance carriers. Please be advised that there is a conflict of interest in that there is an economic incentive to recommend insurance carriers and other investment products offered through such insurance carriers. The firm addresses the conflict by disclosing the conflict to the client and makes recommendations that are in the best interest of the client. Please also be advised that Ms. Galdieri strives to put her clients’ interest first and foremost, and clients are not obligated to purchase insurance products through Ms. Galdieri or any person affiliated with our firm.

Ms. Galdieri has a referral arrangement in place with Oxford Insurance Company and is compensated for sending referrals to Oxford Insurance Company for captive insurance business. Oxford Insurance Company is not affiliated

in any way to CWI. This activity presents a conflict of interest where Ms. Gladieri has an incentive to recommend Oxford Insurance Company for captive insurance needs of clients. CWI attempts to mitigate the conflict of interest by disclosing the conflict to the public as well as adopting a code of ethics, which requires all Associated Persons to abide by the fiduciary duty CWI owes to its clients.

Ms. Galdieri spends less than 10% of her professional time on her outside business activities.

#### **Additional Compensation – Item 5**

Apart from the receipt of compensation from the outside business activities listed under Item 4 above, Ms. Galdieri does not receive additional compensation or economic benefits from third party sources in connection to her advisory activities.

#### **Supervision - Item 6**

Ms. Galdieri is an Investment Adviser Representative for CWI. In this capacity, Ms. Galdieri is responsible for the management of client portfolios and account reviews. Ms. Galdieri is also the Chief Compliance Officer of CWI. In this capacity, Ms. Galdieri is responsible for the implementation of the firm's compliance program.

CWI has implemented a Code of Ethics and an internal compliance program that guides each Associated Person in meeting their fiduciary obligations to clients. Ms. Galdieri adheres to the code of ethics and compliance manual as mandated. Ms. Galdieri is supervised by Tracy A. Zullo, the Principal of our firm. Clients may contact us at the phone number listed on the cover of this Brochure Supplement to obtain a copy of the code of ethics.

Additionally, CWI is subject to regulatory oversight by various agencies. These agencies require registration by CWI and its employees, where applicable. As a registered entity, CWI is subject to examinations by regulators, which may be announced or unannounced. CWI is required to periodically update the information provided to these agencies and to provide various reports regarding firm business and assets under management.

#### **Requirements for State-Registered Advisers - Item 7**

CWI is SEC registered; therefore, this item is not applicable.