

**ITEM 1 – COVER PAGE**

# **Claremont Financial Group, Inc.**

464 North Indian Hill Blvd.

Claremont, CA 91711

909-624-9200

[WWW.CLAREMONTFINANCIAL.COM](http://WWW.CLAREMONTFINANCIAL.COM)

## **Form ADV, Part 2A Brochure**

February 14, 2023

This Form ADV 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Claremont Financial Group, Inc. (“CFG or the “Advisor”). If you have any questions about the content of this Disclosure Brochure, please contact the Advisor at 909-624-9200. The information in this Disclosure Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority.

Any reference to or use of the terms “registered investment advisor” or “registered,” does not imply that CFG or any person associated with CFG has achieved a certain level of skill or training.

Additional information about Claremont Financial Group, Inc. is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor’s firm name or CRD# 107806.

## ITEM 2 – MATERIAL CHANGES

The purpose of this page is to inform you of any material changes since the previous version of this Disclosure Brochure. If you are receiving this Disclosure Brochure for the first time this section may not be relevant to you.

### Material Changes

There have been no material changes to this disclosure brochure since its last distribution to clients.

### Future Changes

From time to time, the Advisor may amend this Disclosure Brochure to reflect changes in business practices, changes in regulations or routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to you annually and if a material change occurs in the business practices of CFG.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD# 107806. You may also request a copy of this Disclosure Brochure at any time, by contacting the Advisor at 909-624-9200.

## ITEM 3 – TABLE OF CONTENTS

<b>ITEM 1 – COVER PAGE</b>	<b>1</b>
<b>ITEM 2 – MATERIAL CHANGES</b>	<b>2</b>
<b>ITEM 3 – TABLE OF CONTENTS</b>	<b>3</b>
<b>ITEM 4 – ADVISORY BUSINESS</b>	<b>4</b>
Description of Advisory Firm	4
Advisory Services Offered	4
Tailored Services and Client Imposed Restrictions	6
Assets Under Management	6
<b>ITEM 5 – FEES AND COMPENSATION</b>	<b>6</b>
Fee Schedule	6
Other Fees and Expenses	8
Termination	8
Other Compensation	9
<b>ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT</b>	<b>9</b>
<b>ITEM 7 – TYPES OF CLIENTS</b>	<b>9</b>
Account Requirements	9
<b>ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS</b>	<b>9</b>
Financial Planning	9
Methods of Analysis and Investment Strategies	10
Investing Involves Risk	11
Specific Security Risks	11
<b>ITEM 9 – DISCIPLINARY INFORMATION</b>	<b>12</b>
<b>ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS</b>	<b>12</b>
Registered Representative of Unaffiliated Broker-Dealer	12
Other Investment Advisor	13
<b>ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING</b>	<b>13</b>
<b>ITEM 12 – BROKERAGE PRACTICES</b>	<b>14</b>
Factors Considered in Selecting Broker-Dealers for Client Transactions	14
Aggregation and Allocation of Transactions	15
<b>ITEM 13 – REVIEW OF ACCOUNTS</b>	<b>15</b>
Managed Account Reviews & Reports	15
Financial Plan Reviews & Reports	15
<b>ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION</b>	<b>16</b>
<b>ITEM 15 – CUSTODY</b>	<b>18</b>
<b>ITEM 16 – INVESTMENT DISCRETION</b>	<b>18</b>
<b>ITEM 17 – VOTING CLIENT SECURITIES</b>	<b>19</b>
<b>ITEM 18 – FINANCIAL INFORMATION</b>	<b>19</b>
<b>Form ADV, Part 2B (“Brochure Supplements”)</b>	<b>21</b>
<b>Privacy Policy</b>	<b>27</b>

## ITEM 4 – ADVISORY BUSINESS

### Description of Advisory Firm

Claremont Financial Group, Inc. ("CFG" or the "Advisor and also "we", "our" or "us") is a privately-owned corporation headquartered in Claremont, California. CFG is registered as an investment advisor with the U.S. Securities and Exchange Commission ("SEC"). CFG was founded in January 1994 and has been registered as an investment advisor since February 2006. Gaetan Scalzo is the owner of CFG.

### Advisory Services Offered

CFG offers personal financial planning and investment management services to individuals, high net worth individuals, trusts, estates and charitable organizations (each a "Client").

The Advisor serves as a fiduciary to Clients, as defined under the applicable laws and regulations. As a fiduciary, the Advisor upholds a duty of loyalty, fairness and good faith towards each Client and seeks to mitigate potential conflicts of interest. CFG's fiduciary commitment is further described in the Advisor's Code of Ethics. For more information regarding the Code of Ethics, please see Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

### Personal Financial Planning Services

CFG offers personal financial planning services for a fee. We specialize in providing advice to professionals, pre-retirees and those who are retired. CFG uses financial strategies consistent with the Client's financial condition, tax status, and risk/reward objectives. Strategies may focus on investments, insurance, taxes, and/or estate plans.

Over the series of planning meetings, we compile written information and analysis, which may include one or more of the following areas:

1. the Client's objectives and financial goals,
2. a review of the Client's assets, liabilities, income and expenses,
3. a review, analysis and recommendations regarding one or more of the subject planning areas previously listed,
4. a summary of findings, and
5. an action guide or "To Do" list.

Personal financial planning (the analysis, written report, and subsequent modifications and services) is a service separate from our investment management services. Clients have full discretion as to how they choose to implement the recommendations discussed in the financial planning phase. CFG will generally recommend implementation of financial plans, using CFG or an affiliate as the investment advisor. There are no requirements to use us, or our affiliate, for investment management services.

The investment management services, described below, are part of the implementation process that occurs once the initial planning has been accomplished. Use of our investment management services is not required. Some Clients may use the services of CFG only for the financial planning; others may choose to use CFG only for investment management services. Many Clients engage CFG for both of these services.

Our personal financial planning services do not include preparation of any kind of income tax, gift, or estate tax returns nor preparation of any legal documents, including wills or trusts. We do not provide Clients with any legal or accounting advice.

We describe fees charged for personal financial planning services in **Item 5 below**.

#### Investment Management Services

CFG offers asset allocation systems through third-party providers (“Investment Platforms”) including Pacific Financial Group, LLC (formerly The Elements Financial Group, LLC and herein “PFG”), an affiliate of CFG, and Orion Platform Services, LLC (“Orion”) We will use a sub-advisor to manage portfolios for Clients where an asset allocation system is not suitable for a Client.

Through these Investment Platforms, we advise Clients as to the selection of asset allocation models and provide continuous monitoring of the models. We describe the material investment risks under the heading ***Specific Security Risks*** in ***Methods of Analysis, Investment Strategies, and Risk of Loss***.

We discuss our discretionary authority below under **Item 16 – Investment Discretion**. For more information about the restrictions Clients can put on their account[s], see ***Tailored Services and Client Imposed Restrictions*** in this item below.

We describe the fees charged for investment management services in **Item 5 below**.

Limitations on Investments – In some circumstances, CFG’s advice may be limited to certain types of securities.

Limitation by Issuer – In the event CFG is managing assets within an annuity, CFG is limited to those investment options chosen by the insurance agency.

No Load Mutual Funds – The vast majority of mutual fund investments we recommend are in the form of no load or load waived mutual funds.

Limitation by Client – CFG may also limit advice based on certain Client-imposed restrictions. For more information about the restrictions Clients can put on their accounts, see ***Tailored Services and Client Imposed Restrictions*** in this Item below.

Non-Managed Assets – CFG may offer securities trading activities for non-managed positions in a Client’s managed account[s], acting as an intermediary between the Client and the custodian. We do not provide investment advice regarding that portion of the Client’s managed account designated as non-managed assets nor do we provide opinions as to the merits of any non-managed asset held in the account[s]. We also do not make any judgments as to the appropriateness of assumed risk or suitability of any non-managed investment given the Client’s situation. CFG offers this service at no charge and at our discretion, in consideration of the Client’s other accounts that we manage.

Retirement Accounts – When the Advisor provides investment advice to Clients regarding ERISA retirement accounts or individual retirement accounts (“IRAs”), the Advisor is a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act (“ERISA”) and/or the Internal Revenue Code (“IRC”), as applicable, which are laws governing retirement accounts. When deemed to

be in the Client's best interest, the Advisor will provide investment advice to a Client regarding a distribution from an ERISA retirement account or to roll over the assets to an IRA, or recommend a similar transaction including rollovers from one ERISA sponsored Plan to another, one IRA to another IRA, or from one type of account to another account (e.g. commission-based account to fee-based account). Such a recommendation creates a conflict of interest if the Advisor will earn a new (or increase its current) advisory fee as a result of the transaction. No client is under any obligation to roll over a retirement account to an account managed by the Advisor.

At no time will CFG accept or maintain custody of a Client's funds or securities, except for the limited authority as outlined in **Item 15 – Custody**. All Client assets will be managed within their designated account[s] at the Custodian, pursuant to the terms of the advisory agreement. For additional information, please see **Item 12 – Brokerage Practices**.

#### **Tailored Services and Client Imposed Restrictions**

CFG manages Client accounts based on the investment strategy the Client chooses, as discussed below under **Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss**. CFG applies the selected strategy for each Client based on the Client's individual circumstances and financial situation. We make investment decisions for Clients based on information the Client supplies about their financial situation, goals, and risk tolerance. Our recommendations may not be suitable if the Client does not provide us with accurate and complete information. It is the Client's responsibility to keep CFG informed of any changes to their investment objectives or restrictions.

Generally, CFG does not allow Clients to impose restrictions on investing in certain securities or types of securities in the accounts. CFG reserves the right to not accept and/or terminate management of a Client's account[s] if we feel that a Client wants to put a restriction that limits or prevents us from meeting or maintaining the Client's investment strategy.

#### **Wrap Fee Program**

CFG does not sponsor a wrap fee program in connection with their investment management services. A wrap fee program is defined as any advisory program under which a specified fee or fees not based directly upon transactions in a Client's account is charged for investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of Client transactions. Whenever a fee is charged to a Client for services described in this brochure (whether wrap fee or non-wrap fee), we will receive all or a portion of the fee charged.

A complete description of these programs and related fees, charges, when due and termination procedures are described in the respective manager's disclosure brochures, which you receive at or prior to the time a third-party managed account is established.

#### **Assets Under Management**

As of December 31, 2023, CFG manages \$110,300,266 in Client assets, \$105,565,497 of which are managed on a discretionary basis and \$4,734,769 on a non-discretionary basis. Clients may request more current information at any time by contacting the Advisor.

## ITEM 5 – FEES AND COMPENSATION

### Fee Schedule

#### Personal Financial Planning Services

CFG offers personal financial planning services at the hourly rates describe below, which are negotiable depending on the nature and complexity of each Client’s circumstances. In these instances, we will provide an estimate of the total hours required at the start of the relationship. CFG may also provide services at a reduced rate or waive fees for certain Clients (such as employees and their immediate family members). The current hourly rates charged to Clients are:

- Gaetan Scalzo – \$250 / hour
- Senior Associate – \$100 / hour
- Paraplanner – \$75 / hour
- Clerical – \$30 / hour

We believe that financial planning is an on-going process that should last a lifetime. After we conduct the initial risk analysis, we present the recommendations to the Client. The on-going planning is an important service as well. We may incorporate the cost of financial planning services into the investment advisory fees for those Clients making use of CFG’s investment management services; see below for description of services. For such Clients, there will be no additional charge for normal planning services over and above the investment fees. Additional analysis may require additional charges and are negotiable on a client-by-client basis.

We send an invoice to Clients for services provided under our hourly rates at the completion of each key planning task for time incurred. The invoice is payable upon receipt and will include the fee calculation and amount due. We typically do not collect fees in advance for financial planning services.

#### Investment Management Services

CFG charges an investment advisory fee for its investment management services. For those Clients making use of the investment management services provided by CFG and the asset allocation services of PFG, the amount of the investment advisory fee is based upon the total assets under management and billed quarterly, in advance of each calendar quarter, based on the following schedule\*:

Assets Under Management	Annual Fee
First \$250,000	1.50%
Next \$250,000	1.25%
Next \$500,000	1.00%
Next \$1,000,000	0.75%
Next \$2,000,000	0.50%

\*In addition to CFG’s fees noted above, accounts managed on the PFG Investment Platform are charged the Investment Platform provider’s fee of no more than 0.25% annually (“Platform fee”), which is non-negotiable. This fee includes (i) accounting and reconciliation duties, and (ii) asset allocation modeling, and the fees of many of the Strategists involved in the Investment Platform. Several Strategists charge a separate Strategist, paid by the client, of up to 0.20%. Further, clients pay a custodial fee in an amount as agreed to by the Client and the Custodian. All fees are calculated by PFG in the same manner as the investment advisory fee is calculated.

For those Clients making use of the investment management services provided by CFG and the asset allocation services of Orion, the amount of the investment advisory fee paid to CFG is based upon the total assets under management and billed monthly, at an annual rate of 1.50% for AUM of up to \$250,000. In addition to CFG's advisory fee, accounts managed on the Orion Investment Platform are charged an Administrative Fee of 0.45% annually, payable to Orion; an annual Strategist Fee 0.10% to 0.20%; and an annual Custodian Fee of 0.20%. All fees are calculated by Orion, and are billed monthly.

#### **Billing Method**

With Client authorization, each Investment Platform will automatically calculate and withdraw the Platform fee and CFG's investment advisory fee from the Client's account[s] held by an independent custodian. The fees are calculated according to the method outlined in each Investment Platform's Form ADV 2A – Disclosure Brochure. Typically, the custodian withdraws these fees from the Client's account[s] during the first month of each quarter based on the Investment Platform's instruction. All Clients will receive brokerage statements from the custodian no less frequently than quarterly. The custodian statement will show the deduction of the investment advisory fee and the Investment Platform fee. It is the Client's responsibility to verify the accuracy of the fee calculation. The custodian will not determine whether the fee is properly calculated.

#### **Other Fees and Expenses**

Clients may incur certain fees or charges imposed by third parties, other than CFG, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all securities execution and custody fees charged by the Custodian, if applicable. The fees charged by CFG are separate and distinct from these custody and execution fees.

In addition, all fees paid to CFG for investment advisory services are separate and distinct from the expenses charged by mutual funds and ETFs to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client may be able to invest in these products directly, without the services of CFG but would not receive the services provided by CFG which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by CFG to fully understand the total fees to be paid. Please refer to Item 12 – Brokerage Practices for additional information.

#### **Termination**

##### **Investment Management Services**

Either party may terminate the advisory agreement, at any time, by providing written notice to the other party. Upon termination, CFG will refund any prepaid, unearned advisory fees based on the effective date of termination. Upon termination of the agreement, we will send the Client a prorated refund of unearned advisory fees using the following formula:  $(Fees\ Paid) \times (Days\ Remaining\ in\ Quarter) / (Total\ Number\ of\ Days\ in\ Quarter)$ . The Client's investment advisory agreement with the Advisor is non-transferable without the Client's prior consent.

##### **Personal Financial Planning Services**

In the event that either the Client or CFG wishes to terminate the financial planning agreement before completion of the plan, either party may terminate the agreement, at any time, by providing written notice to the other party. Upon notice of termination, CFG will provide you with an invoice for services



provided through the date of termination. If you paid fees in advance that were more than the amount due for services, CFG will refund any unearned fees to you. The Client's financial planning agreement with the Advisor is non-transferable without the Client's prior consent.

### **Other Compensation**

CFG does not buy or sell securities to earn commissions and does not receive any compensation for securities transactions in any Client account, other than the investment advisory fees noted above.

Certain Associated Persons are also registered representatives of Capital Investment Group, Inc. ("CIG"). CIG is a registered broker-dealer (CRD No. 14752), member FINRA, SIPC. In one's separate capacity as a registered representative of CIG, an Associated Person will implement securities transactions under CIG and not through CFG. In such instances, an Associated Person will receive commission-based compensation in connection with the purchase and sale of securities. Compensation earned by the Associated Person in one's capacity as a registered representative is separate from the Advisor's fees. This practice presents a conflict of interest because an Associated Person who is a registered representative has an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on the Client's needs. Clients are not obligated to implement any recommendation provided by the Advisor nor Associated Persons. Neither the Advisor nor Associated Persons will earn ongoing investment advisory fees in connection with any products or services implemented in an Associated Person's separate capacity as a registered representative. Please see Item 10 – Other Financial Industry Activities and Affiliations.

Certain Associated Persons are also licensed as independent insurance professionals. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to Clients. Insurance commissions earned by these persons are separate from and in addition to the Advisor's fees. This practice presents a conflict of interest because persons providing investment advice on behalf of the Advisor who are insurance agents have an incentive to recommend insurance products to Clients for the purpose of generating commissions rather than solely based on Client needs. However, Clients are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with the Advisor. Please see Item 10 – Other Financial Industry Activities and Affiliations.

## **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

CFG does not charge performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a Client. CFG does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund).

## **ITEM 7 – TYPES OF CLIENTS**

CFG offers personal financial planning and investment management services to individuals, high net worth individuals, trusts and charitable organizations. The amount of each type of Client is available on the Advisor's Form ADV Part 1A. These amounts may change over time and are updated at least annually by the Advisor.

### **Account Requirements**

Generally, CFG requires Clients who we are providing investment management services to maintain a minimum account size of \$250,000. We generally combine family accounts to meet the account size minimum. We may reduce or waive the account minimum requirements at our discretion.

## ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

### Financial Planning

The financial planning tools CFG uses to create financial plans for Clients rely on various assumptions, such as estimates of inflation, risk, economic conditions, and rates of return on security asset classes. All return assumptions use asset class returns, not returns of actual investments, and do not include fees or expenses that Clients would pay if they invested in specific products.

Financial planning software is only a tool used to help guide CFG and the Client in developing an appropriate plan. CFG cannot guarantee that Clients will achieve the results shown in the plan. Results will vary based on the information provided by the Client regarding the Client's assets, risk tolerance, and personal information. Changes to the underlying assumptions or differences in actual personal, economic, or market outcomes may result in materially different results for the Client. Clients should carefully consider the assumptions and limitations of the financial planning software as disclosed on the financial planning reports. The Client should then discuss the results of the plan with a qualified investment professional before making any changes in their investment or financial planning program.

We do not recommend individual securities to Clients. However, we may make a general recommendation in the financial plan about investing a portion of your financial assets in securities. If the financial plan includes recommendations for investing in securities, you should understand that investing in securities involves risk of loss, and you should be prepared to bear that risk.

### Methods of Analysis and Investment Strategies

CFG's general investment strategy is to seek real capital growth proportionate with the level of risk the Client is willing to take. CFG treats each Client account uniquely. Generally, CFG assists Clients to develop an investment policy statement. Topics addressed in a typical investment policy statement may include the investment goals, time horizon, risk tolerance, tax considerations, frequency and type of monitoring and reporting, criteria for investment selection and overall investment strategy.

We design the investment recommendations to satisfy a hierarchy of needs, the first of which is the Client's need for short-term cash flow and liquidity. To meet this requirement CFG recommends a level of short-term reserve funds and suggest appropriate investment vehicles. We then generally make recommendations geared to towards the long-term with emphasis placed on liquidity. We select investments for long-term growth or income potential. However, ones that are readily converted to cash, should warrant unforeseen circumstances. After these first two needs appear satisfied, we place the emphasis for the Client's remaining funds on long-term investments without regard to liquidity. Tax reduction strategies may also play an important role in these recommendations.

We typically recommend Clients invest through various Investment Platforms. The Investment Platforms offer model portfolios of mutual funds, exchange traded funds (ETF's), bonds, and variable annuity sub-accounts which are provided by a number of institutional investment strategists and based on the information, research, asset allocation methodology and investment strategies of these institutional strategists.

With respect to Clients investing through an Investment Platform, CFG introduces Clients to investment managers or retains sub-advisors who provide discretionary management of individual portfolios.

Investment Platform providers use a variety of methods of analysis, sources of information, and investment strategies in the management of Client accounts. Details of their methods, sources, and investment strategies are outlined in the Investment Platform's ADV 2A – Disclosure Brochure, which are provided to Clients engaging those services.

#### Investment Strategies for Managing Portfolios

CFG may use strategic asset allocation, tactical asset allocation, cash as a strategic asset, and/or long-term holding in the construction and management of Client portfolios.

*Strategic Asset Allocation* – Strategic asset allocation involves periodically rebalancing portfolio in order to maintain a long-term goal for asset allocation regardless of the market conditions.

*Tactical Asset Allocation* – *Tactical asset allocation is an active management portfolio strategy that rebalances the percentage of assets held in various asset categories in an effort to take advantage of market pricing anomalies or strong market sectors. This strategy provides an opportunity for CFG to create extra value by taking advantage of certain situations in the marketplace. CFG considers this a moderately active strategy since we return the portfolio to its original strategic asset mix if we achieve desired short-term profits or the perceived opportunity ends.*

*Cash as a Strategic Asset* – CFG may use cash as a strategic asset and may at times move or keep Client's assets in cash or cash equivalents. While high cash levels can help protect a Client's assets during periods of market decline, there is a risk that our timing in moving to cash is bad either upon exit or re-entry into the market and we miss positive market moves.

*Long-term Holding* – CFG's strategy consists of investing through an Investment Platform where the model of the Investment Platform generally is purchasing, holding, and rebalancing a diversified portfolio of securities. We typically intend to hold these investments for the long term except when sales are necessary to rebalance the portfolio or to fund replacement acquisitions.

*Sources of Information* – We may consult with specialists in financial planning, mutual funds, variable annuities, and insurance products. We may also consult with the due diligence/investment research staff who reviews the products of various companies.

#### **Investing Involves Risk**

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

## Specific Security Risks

### Market Risks

The value of a Client's holdings may fluctuate in response to events specific to companies or markets, as well as economic, political, or social events in the U.S. and abroad. This risk is linked to the performance of the overall financial markets.

### ETF Risks

The performance of ETFs is subject to market risk, including the possible loss of principal. The price of the ETFs will fluctuate with the price of the underlying securities that make up the funds. In addition, ETFs have a trading risk based on the loss of cost efficiency if the ETFs are traded actively and a liquidity risk if the ETFs have a large bid-ask spread and low trading volume. The price of an ETF fluctuates based upon the market movements and may dissociate from the index being tracked by the ETF or the price of the underlying investments. An ETF purchased or sold at one point in the day may have a different price than the same ETF purchased or sold a short time later.

### Mutual Fund Risks

The performance of mutual funds is subject to market risk, including the possible loss of principal. The price of the mutual funds will fluctuate with the value of the underlying securities that make up the funds. The price of a mutual fund is typically set daily therefore a mutual fund purchased at one point in the day will typically have the same price as a mutual fund purchased later that same day.

### General Risks of Owning Securities

The prices of securities held in Client accounts and the income they generate may decline in response to certain events taking place around the world. These include events directly involving the issuers of securities in a Client's account, conditions affecting the general economy, and overall market changes. Other contributing factors include local, regional, or global political, social, or economic instability and governmental or governmental agency responses to economic conditions. Finally, currency, interest rate, and commodity price fluctuations may also affect security prices and income.

### Third-Party Investment Advisors and Sub-Advisors Strategies and Risks

The independent third-party investment advisors that we select to be sub-advisors to Client's portfolio will use their own investment process and methods of analysis. The strategies and securities these managers invest in may have different or additional risks than those described in this brochure. Clients can find more information about the strategies and related risks of the sub-advisors in ***Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss*** in each manager's Form ADV 2 Brochure.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.**

## ITEM 9 – DISCIPLINARY INFORMATION

CFG and our Associated Persons seek to maintain the highest level of business professionalism, integrity, and ethics. CFG does not have any disciplinary information to disclose. CFG values the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider with whom you partner. Our backgrounds are available on the Investment Adviser

Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD# 107806.

## ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

### **Registered Representative of Unaffiliated Broker-Dealer**

As noted in Item 5, certain Associated Persons are also registered representatives of CIG. In one's separate capacity as a registered representative, an Associated Person will receive commissions for the implementation of recommendations for commissionable transactions. This practice presents a conflict of interest because an Associated Person who is a registered representative has an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on the Client's needs. Clients are not obligated to implement any recommendation provided by an Associated Person. Neither the Advisor nor an Associated Person will earn ongoing investment advisory fees in connection with any services implemented in an Associated Person's separate capacity as a registered representative. Client advisory accounts of CFG are maintained separately from client brokerage accounts of CIG.

### **Insurance Agency Affiliations**

As noted in Item 5, certain Associated Persons are also licensed insurance professionals. Implementations of insurance recommendations are separate and apart from one's role with CFG. As an insurance professional, an Associated Person will receive customary commissions and other related revenues from the various insurance companies whose products are sold. Associated Persons are not required to offer the products of any particular insurance company. Commissions generated by insurance sales do not offset regular advisory fees. This practice presents a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by an Associated Persons or the Advisor.

## ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

### **Code of Ethics**

CFG has implemented a Code of Ethics (the "Code") that defines the Advisor's fiduciary commitment to each Client. This Code applies to all persons associated with CFG ( "Associated Persons"). The Code was developed to provide general ethical guidelines and specific instructions regarding the Advisor's duties to the Client. CFG and its Associated Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of CFG associates to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code covers a range of topics that address employee ethics and conflicts of interest.

CFG's Code attempts to address specific conflicts of interest that either we have identified or that could likely arise. CFG's Associated Persons are required to follow clear guidelines from the Code such as areas of prohibitions of insider trading and adherence to applicable federal securities laws. Additionally, individuals who make investment decisions/securities recommendations to Clients, or who have access to nonpublic information regarding any Clients' purchase or sale of securities, are subject to personal trading policies governed by the Code (see below).

CFG will provide a complete copy of the Code to any Client or prospective Client upon request.

### Personal Trading Practices

CFG and our Associated Persons may purchase or sell securities for themselves, regardless of whether the transaction would be appropriate for a Client's account. CFG and our Associated Persons may purchase or sell securities for themselves that we also recommend for Clients. This includes related securities (e.g., warrants, options, or futures). This presents a potential conflict of interest as we may have an incentive to take investment opportunities from Clients for our own benefit, favor our personal trades over Client transactions when allocating trades, or to use the information about the transactions we intend to make for Clients to our personal benefit by trading ahead of Clients.

Our policies to address these conflicts include the following:

1. We use third-party Investment Platforms and/or sub-advisors for management of all Client accounts. Therefore, we are not aware of the timing of when trades are placed.
2. Our Associated Persons are required to submit quarterly and annual reports regarding transactions and securities holdings in their personal accounts.

## **ITEM 12 – BROKERAGE PRACTICES**

CFG requires Clients to open one or more custodian accounts in their own name at a third-party custodian. We require Clients open such accounts at either at Charles Schwab & Co., Inc. ("Schwab"), or Pershing LLC ("Pershing"), (collectively the "Custodian/Broker"). We are independently owned, operated, and are not affiliated with any of these custodian/brokers. These Custodian/Brokers will hold Client assets in a brokerage account, and buy and sell securities when the third-party platform provider or we instruct them to.

### **Factors Considered in Selecting Broker-Dealers for Client Transactions**

CFG considers several factors in recommending a Custodian/Broker to a Client. We first determine which platform or sub-advisor will be used to service the Clients account. Each Investment Platform has relationships with one or more Custodian/Brokers and will require the Client to select a Custodian/Broker that they have an arrangement with. Other factors that we may consider include ease of use, reputation, service execution, pricing and financial strength of the Custodian/Brokers. CFG may also take into consideration the availability of the products and services received or offered (detailed below) by Custodian/Brokers.

### Research and other Soft Dollar Benefits

CFG may receive from particular Custodian/Brokers, without cost (or at a discount), support services and/or products that benefit CFG but may not directly benefit our Clients' accounts. Custodian/Brokers make available products and services that may be used to service all or some substantial number of CFG's accounts, including accounts not maintained with these brokers. Custodian/Brokers make these products and services available to us on an unsolicited basis.

Custodian/Brokers may make available products and services that assist CFG in managing and administering Clients' accounts including software and other technology that:

1. provide access to Client account data (such as trade confirmations and account statements);
2. facilitate trade execution and allocate aggregated trade orders for multiple Client accounts;

3. provide research, pricing and other market data;
4. facilitate payment of CFG's fees from our Clients' accounts; and
5. assist with back-office functions, recordkeeping, and Client reporting.

Custodian/Brokers may also offer other services intended to help CFG manage and further develop our business enterprise. These services may include:

1. compliance, legal and business consulting;
2. publications and conferences on practice management and business succession; and
3. access to employee benefits providers, human capital consultants, and insurance providers.

Custodian/Brokers may make available, arrange, and/or pay third-party vendors for the types of services provided to CFG. Custodian/Brokers may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to CFG.

Custodian/Brokers may also provide other benefits such as educational events.

As part of our fiduciary duty to Clients, CFG endeavors at all times to put the interests of our Clients first. Clients should be aware, however, that the receipt of economic benefits by CFG or our Associated Person in and of itself creates a potential conflict of interest and may indirectly influence CFG's recommendation of Custodian/Brokers for custody and brokerage services.

### Directed Brokerage

CFG will not allow Clients to direct CFG to use a specific broker-dealer to execute transactions. Clients must use the broker-dealers that CFG or platform provider recommends. Not all investment advisors require their Clients to trade through specific brokerage firms. By requiring Clients to use the broker-dealers that the Investment Platforms require, CFG believes we may be able to more effectively manage the Client's portfolio, achieve favorable execution of Client transactions and lower the overall costs to the portfolio.

### **Aggregation and Allocation of Transactions**

Either third-party Investment Platforms will implement transactions for each Client or a sub-advisor. Clients should review the platform's or the sub-advisor's Form ADV 2 Brochure for information regarding order aggregation and allocation of transactions.

## **ITEM 13 – REVIEW OF ACCOUNTS**

### **Managed Account Reviews & Reports**

Generally, each portfolio is reviewed every quarter by the Investment Platforms to evaluate the extent to which the actual allocation matches the target allocation. We offer account reviews to Clients on a quarterly basis. Clients may choose to receive reviews in person, by telephone, or in writing. Gaetan Thomas Scalzo, CFP®, President & CEO, generally conducts all reviews based on a variety of factors. These factors may include but are not limited to stated changes in the model, investment objectives, economic environment, outlook for the securities markets, and the merits of the securities in the accounts. Other members of CFG's team might be involved in the review of accounts from time to time.

In addition, we may conduct a special review of an account based on one or more of the following:

1. A change in the Client's investment objectives, guidelines and/or financial situation;



2. Changes in diversification;
3. Tax considerations; or
4. Material cash deposits or withdrawals.

Each Client receives a written statement from the custodian that includes an accounting of all holdings and transactions in the account for the reporting period. In addition, certain platform providers may provide written reports depending on platform the Client is working with. Details of the account reporting that the third-party platform providers make available to Clients are outlined in each provider's Form ADV 2 Brochure. Applicable disclosure brochures are provided to Clients engaging those services.

### **Financial Plan Reviews & Reports**

Gaetan Scalzo, CFP® (President and CEO) is responsible for reviewing Clients' financial plans. Other members of CFG's team might be involved in the review of financial plans from time to time. CFG will generally contact Clients at least annually to discuss any changes in the Client's circumstances and necessary updates to the financial plan. We also work with Clients on an ongoing basis to review the plan as needed or as requested by the Client. Clients receive a copy of all written documents that are developed and discussed during the time we work together. Personal financial planning generally includes the analysis, written report, and subsequent modifications and services. The personal financial planning is a service separate from our investment management services.

## **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

### Participation in Institutional Advisor Platform – Schwab

CFG has established an institutional relationship with Schwab through its "Schwab Advisor Services" unit, a division of Schwab dedicated to serving independent advisory firms like CFG. As a registered investment advisor participating on the Schwab Advisor Services platform, CFG receives access to software and related support without cost because the Advisor renders investment management services to Clients that maintain assets at Schwab. Services provided by Schwab Advisor Services benefit the Advisor and many, but not all services provided by Schwab will benefit Clients. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a custodian creates a potential conflict of interest since these benefits may influence the Advisor's recommendation of this custodian over one that does not furnish similar software, systems support, or services.

Services that Benefit the Client – Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of Client's funds and securities. Through Schwab, the Advisor may be able to access certain investments and asset classes that the Client would not be able to obtain directly or through other sources. Further, the Advisor may be able to invest in certain mutual funds and other investments without having to adhere to investment minimums that might be required if the Client were to directly access the investments.

Services that May Indirectly Benefit the Client – Schwab provides participating advisors with access to technology, research, discounts and other services. In addition, the Advisor receives duplicate statements for Client accounts, the ability to deduct advisory fees, trading tools, and back office support services as part of its relationship with Schwab. These services are intended to assist the Advisor in effectively managing accounts for its Clients, but may not directly benefit all Clients.



Services that May Only Benefit the Advisor – Schwab also offers other services and financial support to CFG that may not benefit the Client, including: educational conferences and events, financial start-up support, consulting services and discounts for various service providers. Access to these services creates a financial incentive for the Advisor to recommend Schwab, which results in a potential conflict of interest. CFG believes, however, that the selection of Schwab as Custodian is in the best interests of its Clients.

#### Participation in Institutional Advisor Platform – Pershing

The Advisor has established an institutional relationship with Pershing to assist the Advisor in managing Client account[s]. Access to the Pershing Institutional platform is provided at no charge to the Advisor. The Advisor receives access to software and related support without cost because the Advisor renders investment management services to Clients that maintain assets at Pershing. The software and related systems support may benefit the Advisor, but not its Clients directly. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a custodian creates a potential conflict of interest since these benefits may influence the Advisor's recommendation of this custodian over one that does not furnish similar software, systems support, or services.

Additionally, the Advisor may receive the following benefits from Pershing: receipt of duplicate Client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to Client accounts; and access to an electronic communication network for Client order entry and account information.

#### Promoters

*If a Client is introduced to the Advisor by either an unaffiliated or affiliated party (herein a "Promoter"), the Advisor compensates that Promoter a fee in accordance with Rule 206(4)-1 of the Advisers Act and any corresponding state securities requirements. Any such compensation shall be paid solely from the investment advisory fees earned by the Advisor, and shall not result in any additional charge to the Client.*

#### Professional Referrals

CFG may refer Clients to unaffiliated professionals for a variety of services such as insurance, mortgage brokerage, real estate sales, and estate planning, legal, and/or tax/accounting services. In turn, these professionals may refer Clients to CFG. From time to time, we may enter into agreements with such professionals to refer Clients to each other and compensate one another for such Client referrals. When such arrangements have been made, the Client will be provided a separate disclosure document to outline the arrangement.

CFG only refers Clients to professionals we believe are competent and qualified in their field. It is ultimately the Client's responsibility to evaluate the provider. It is solely the Client's decision whether to engage a recommended firm. Clients are under no obligation to purchase any products or services through these professionals, and CFG has no control over the services provided by another firm. Clients who chose to engage these professionals will sign a separate agreement with the other firm. Fees charged by the other firm are separate from and in addition to fees charged by CFG.

If the Client desires, CFG will work with these professionals or the Client's other advisors (such as an accountant, attorney, or other investment advisor) to help ensure that the provider understands the

Client's financial plan/investments and to coordinate services for the Client. CFG does not share information with an unaffiliated professional unless first authorized by the Client.

## **ITEM 15 – CUSTODY**

CFG has limited custody of some of our Clients' funds or securities when the Clients authorize us or our advisory affiliate, PFG, to deduct our management fees directly from the Client's account. A qualified custodian (generally a broker-dealer, bank, trust company, or other financial institution) holds Clients' funds and securities. Clients will receive statements directly from their qualified custodian at least quarterly. The statements will reflect the Client's funds and securities held with the qualified custodian as well as any transactions that occurred in the account, including the deduction of our fee. The fees for Clients participating in the Investment Platforms offered by PFG or Orion, will generally have management fees directly debited from the Client's custodian account by the platform provider. The platform provider will pay CFG directly for our services.

Clients should carefully review the account statements they receive from the qualified custodian. When Clients receive statements from either CFG or a platform provider as well as from the qualified custodian, they should compare these two reports carefully. Clients with any questions about their statements should contact us at the address or phone number on the cover of this brochure. Clients who do not receive a statement from their qualified custodian at least quarterly should also notify us.

If the Client gives the Advisor authority to move money from one account to another account, the Advisor may have custody of those assets. In order to avoid additional regulatory requirements, the Custodian and the Advisor have adopted safeguards to ensure that the money movements are completed in accordance with the Client's instructions.

## **ITEM 16 – INVESTMENT DISCRETION**

Clients electing to participate in the Investment Platforms offered by PFG or Orion will be required to execute an investment advisory agreement with CFG granting CFG discretionary authority and limited power of attorney with respect to the investment of the Client's assets. With this discretionary authority, we retain PFG as a sub-advisor or Orion as co-advisor to serve as discretionary money manager with respect to the assets of Clients' accounts and to perform the following services:

- buy, sell, invest, reinvest, convey, exchange, convert, transfer, redeem, liquidate or otherwise dispose of securities in the assets of the Clients' accounts in the platform without notice to, or approval of, CFG or Clients, which are consistent with the model portfolios selected by CFG on behalf of Clients;
- allocate investments within the chosen model portfolios, without distinction between principal and income; and
- enter into agreements with Strategists and/or third-party managers to provide manage model portfolios for the platform.

Clients who do not participate in the Investment Platforms will be required to execute an investment advisory agreement with CFG granting CFG discretionary authority and limited power of attorney with respect to the investment of the Client's assets. With this discretionary authority, we retain PFG as a sub-advisor.

## ITEM 17 – VOTING CLIENT SECURITIES

### Proxy Voting and Class Actions

CFG does not accept or have the authority to vote Client securities. However, Clients may call us if they have questions about a particular solicitation. CFG will not be deemed have proxy voting authority solely because of providing advice or information about a particular proxy vote to a Client. Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent.

CFG does not instruct or give advice to Clients on whether or not to participate as a member of class action lawsuits and will not automatically file claims on the Client's behalf. However, if a Client notifies us that they wish to participate in a class action, we will provide the Client with any transaction information pertaining to the Client's account[s] needed for the Client to file a proof of claim in a class action.

## ITEM 18 – FINANCIAL INFORMATION

Registered investment advisors are required in this item to provide Clients with certain financial information or disclosures about the Advisor's financial condition. CFG does not require the prepayment of more than \$1,200 in fees per Client, six months or more in advance, and does not foresee any financial condition that is reasonably likely to impair our ability to meet contractual commitments to Clients.

**Form ADV, Part 2B (“Brochure Supplements”)**

Individuals covered by this supplement include:

**Gaetan Thomas Scalzo, CFP<sup>®</sup>**  
**Gaetano Henry Scalzo, ChFC<sup>®</sup>**

**Claremont Financial Group, Inc.**

464 North Indian Hill Blvd.  
Claremont, CA 91711  
909-624-9200

**February 14, 2024**

This combined Form ADV2B (“Brochure Supplements”) provides information about Gaetan Thomas Scalzo and Gaetano Henry Scalzo, that supplements the Claremont Financial Group, Inc. (“CFG” or the “Advisor”) Disclosure Brochure. You should have already received a copy of that Disclosure Brochure. Please contact our office at 909-624-9200 if you did not receive our Disclosure Brochure or if you have any questions about the contents of this Brochure Supplement.

Additional information about Gaetan Thomas Scalzo (CRD #289863) and Gaetano Henry Scalzo (CRD #7046528) is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with either individual’s full name or Individual CRD#.

## Gaetan Thomas Scalzo, CFP®

### ITEM 2 – EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

**Gaetan Thomas Scalzo, CFP®**, Owner, President, and Chief Executive Officer, b. 1966

#### *Education:*

Attended Orange Coast Community College from 1985-1988

Certified Financial Planner, certification May 2006

#### *Business Background:*

Pacific Holdings Group, LLC, Managing Member, December 2017 to May 2021

Pacific Financial Group, LLC (formerly The Elements Financial Group, LLC) – Managing Member, December 2006 to December 2017

Claremont Financial Group, Inc. – Owner, President, and Chief Executive Officer, October 2005 to present

Capital Investment Group, Inc. – Registered Representative, December 2011 to present

Pacific Financial Associates, Inc. – Registered Representative, November 2005 to December 2011

Associated Securities Corp. – Registered Representative, August 2002 to November 2005

Royal Alliance Inc. – Registered Representative, January 2000 to August 2002

Centaurus Financial Inc. – Registered Representative, May 1997 to January 2000

#### *Professional Designations*

Gaetan Scalzo holds the following professional designation:

#### *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. It 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 attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP® Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP® Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and Client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;

- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP® Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their Clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

### ITEM 3 – DISCIPLINARY INFORMATION

The Advisor value the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on anyone providing services to you. There are no legal or disciplinary events to disclose regarding Gaetan T. Scalzo.

However, we do encourage you to independently view the background of Gaetan T. Scalzo on the Investment Adviser Public Disclosure website at <http://adviserinfo.sec.gov> by searching with his full name or Individual CRD# 2898363.

### ITEM 4 – OTHER BUSINESS ACTIVITIES

Mr. Scalzo is also a registered representative with Capital Investment Group, Inc. ("CIG"). CIG is a non-affiliated dually registered broker-dealer and a member of the Financial Industry Regulation Authority ("FINRA"). In his own capacity as a registered representative of CIG, Mr. Scalzo will receive commissions for the implementation of recommendations for commissionable transactions. This practice presents a conflict of interest because Mr. Scalzo, as a registered representative, has an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on the Client's needs. Clients are not obligated to implement any recommendation provided by Mr. Scalzo. Neither CFG nor Mr. Scalzo will earn ongoing investment advisory fees in connection with any services implemented by Mr. Scalzo in his separate capacity as a registered representative. Client advisory accounts of CFG are maintained separately from client brokerage accounts of CIG.

It is also possible that Mr. Scalzo will also receive compensation for the sale of real estate, insurance, collectibles, commodities, and other "non-security" products. This presents a conflict of interest between CFG and CFG's Client. The conflict is based on the fact that CFG is compensated for providing investment management and financial planning services and Mr. Scalzo may also be compensated for selling insurance products, real estate, collectibles, commodities, and other "non-security" products that are recommended as part of the investment management or financial planning process. Therefore,

Clients are advised that if they elect to act on such recommendations, the Client is under no obligation to transact the purchase of insurance products through any Associated Person of CFG.

#### **ITEM 5 – ADDITIONAL COMPENSATION**

The additional compensation that Gaetan Scalzo may receive is outlined above in **Item 4** above.

#### **ITEM 6 – SUPERVISION**

Gaetan Scalzo is the Owner, President, and Chief Executive Officer of CFG. Mr. Scalzo is supervised by Bruce Davidson, Chief Compliance Officer. Mr. Davidson can be reached at 909-624-9200.

CFG has implemented a Code of Ethics, an internal compliance document that guides each Supervised Person in meeting their fiduciary obligations to Clients of CFG. Further, CFG is subject to regulatory oversight by various agencies. These agencies require registration by CFG and its Supervised Persons. As a registered entity, CFG is subject to examinations by regulators, which may be announced or unannounced. CFG is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.

## Gaetano Henry Scalzo, ChFC®

### ITEM 2 – EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

**Gaetano Henry Scalzo**, Investment Advisor Representative, b. 1996

#### *Education:*

Attended California State University Fullerton 2015-2020

Attended Orange Coast College 2017 to 2017

#### *Business Background:*

Claremont Financial Group, Inc. – Investment Advisor Representative, November 2018 to present

California State University Fullerton – Student, August 2015 to May 2020

Robert Hord Refinishing – Material Specialist, April 2017 to November 2018

Endless Sun Surf School – Surf Instructor, July 2018 to September 2018

Orange Coast College – Student, January 2017 to May 2017

The Butchery – Customer Service, February 2017 to April 2017

Duffy Electric Boats – Dock Hand, October 2015 to December 2016

Sessions Sandwiches – Prep Cook, April 2014 to October 2015

#### Professional Designations

Gaetan Scalzo holds the following professional designation:

#### *Chartered Financial Consultant™*

The Chartered Financial Consultant™ (ChFC®) program prepares you to meet the advanced financial planning needs of individuals, professionals, and small business owners. You'll gain a sustainable advantage in this competitive field with in-depth coverage of the key financial planning disciplines, including insurance, income taxation, retirement planning, investments, and estate planning. The ChFC® requires three years of full-time, relevant business experience, nine two-hour course-specific proctored exams, and 30 hours of continuing education every two years. Holders of the ChFC® designation must adhere to The American College's Code of Ethics.

#### Program Objectives:

- Function as an ethical, competent and articulate practitioner in the field of financial planning
- Utilize the intellectual tools and framework needed to maintain relevant and current financial planning knowledge and strategies.
- Apply financial planning theory and techniques through the development of case studies and solutions.
- Apply in-depth knowledge in a holistic manner from a variety of disciplines, namely, estate planning, retirement planning, or non-qualified deferred compensation.

### ITEM 3 – DISCIPLINARY INFORMATION

The Advisor values the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on anyone providing services to you. There are no legal or disciplinary events to disclose regarding Gaetano H. Scalzo.



However, we do encourage you to independently view the background of Gaetano H. Scalzo on the Investment Adviser Public Disclosure website at <http://adviserinfo.sec.gov> by searching with his full name or Individual CRD# 7046528.

#### **ITEM 4 – OTHER BUSINESS ACTIVITIES**

Mr. Scalzo is also a registered representative with Capital Investment Group, Inc. ("CIG"). CIG is a non-affiliated dually registered broker-dealer and a member of the Financial Industry Regulation Authority ("FINRA"). In his own capacity as a registered representative of CIG, Mr. Scalzo will receive commissions for the implementation of recommendations for commissionable transactions. This practice presents a conflict of interest because Mr. Scalzo, as a registered representative, has an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on the Client's needs. Clients are not obligated to implement any recommendation provided by Mr. Scalzo. Neither CFG nor Mr. Scalzo will earn ongoing investment advisory fees in connection with any services implemented by Mr. Scalzo in his separate capacity as a registered representative. Client advisory accounts of CFG are maintained separately from client brokerage accounts of CIG.

#### **ITEM 5 – ADDITIONAL COMPENSATION**

The additional compensation that Gaetano H. Scalzo may receive is outlined above in *Item 4* above.

#### **ITEM 6 – SUPERVISION**

Mr. Scalzo is supervised by Gaetan Scalzo the Owner, President and Chief Executive Officer of CFG. Mr. Scalzo is also supervised by Bruce Davidson, Chief Compliance Officer. Mr. Davidson can be reached at 909-624-9200.

CFG has implemented a Code of Ethics, an internal compliance document that guides each Supervised Person in meeting their fiduciary obligations to Clients of CFG. Further, CFG is subject to regulatory oversight by various agencies. These agencies require registration by CFG and its Supervised Persons. As a registered entity, CFG is subject to examinations by regulators, which may be announced or unannounced. CFG is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.

# **Claremont Financial Group, Inc.**

## **Privacy Policy**

**Effective: February 14, 2024**

Claremont Financial Group, Inc.  
CRD No: 107806  
464 North Indian Hill Blvd  
Claremont, CA 91711-4650  
Phone: (909) 624-9200 \* Fax: (909) 624-1937  
[www.claremontfinancial.com](http://www.claremontfinancial.com)

## Our Commitment to You

Claremont Financial Group, Inc. ("CFG" or the "Advisor") is committed to safeguarding the use of your personal information that we have as your Investment Advisor.

CFG (also referred to as "we", "our" and "us" throughout this notice) protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you. Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything that we can to maintain that trust.

CFG does not sell your non-public personal information to anyone. Nor do we provide such information to others except for discrete and proper business purposes in connection with the servicing and management of our relationship with you, as discussed below.

Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Privacy Policy.

## Why you need to know?

Registered Investment Advisors ("RIAs") share some of your personal information. Federal and State laws give you the right to limit some of this sharing. Federal and State laws require RIAs to disclose how we collect, share, and protect your personal information.

## What information do we collect from you?

Social security or taxpayer identification number	Assets and liabilities
Name, address and phone number[s]	Income and expenses
E-mail address[es]	Investment activity
Account information (including other institutions)	Investment experience and goals

## What sources do we collect information from in addition to you?

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account

## How do we protect your information?

To safeguard your personal information from unauthorized access and use, we maintain physical, procedural and electronic safeguards. These include computer safeguards such as passwords, as well as secured files and buildings. Our employees are advised about CFG's need to respect the confidentiality of each client's non-public personal information. We train our employees on their responsibilities

We require third parties that assist in providing our services to you to protect the personal information they receive. This includes contractual language in our third-party agreements.

## How we share your information?

RIAs do need to share personal information regarding its clients to effectively implement the RIA's services. In the section below, we list some reasons we may share your personal information.

Basis For Sharing	Sharing	Limitations
<b>Servicing our Clients</b> We may share non-public personal information with non-affiliated third parties (such as brokers, custodians, regulators, credit agencies, other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; responding to regulators or legal investigations; and credit reporting.  CFG shares Client information with Capital Investment Group, Inc. ("CIG") due to the oversight CIG has over Supervised Persons of the Advisor. You may also contact us at any time for a copy of the CIG Privacy Policy.	CFG may share this information.	Clients cannot limit the Advisor's ability to share.
<b>Administrators</b> We may disclose your non-public personal information to companies we hire to help administer our business. Companies that we hire to provide services of this nature are not allowed to use your personal information for their own purposes and are contractually obligated to maintain strict confidentiality. We limit their use of your personal information to the performance of the specific service we have requested.	CFG may share this information.	Clients cannot limit the Advisor's ability to share.
<b>Marketing Purposes</b> CFG does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where CFG or the client has a formal agreement with the financial institution. <b>We will only share information for purposes of servicing your accounts, not for marketing purposes.</b>	CFG does not share personal information.	Clients cannot limit the Advisor's ability to share.
<b>Authorized Users</b> In addition, your non-public personal information may also be disclosed to you and persons that we believe to be your authorized agent or representative.	CFG does share personal information.	Clients can limit the Advisor's ability to share.
<b>Information About Former Clients</b> CFG does not disclose, and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our clients.	CFG does not share personal information regarding former clients	Clients can limit the Advisor's ability to share.

**State-specific Regulations**

California	In response to a California law, to be conservative, we assume accounts with California addresses do not want us to disclose personal information about you to non-affiliated third parties, except as permitted by California law. We also limit the sharing of personal information about you with our affiliates to ensure compliance with California privacy laws.
------------	--

**Changes to our Privacy Policy**

We will send you a notice of our Privacy Policy annually for as long as you maintain an ongoing relationship with us.

Periodically, we may revise our Privacy Policy, and will provide you with a revised policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

**Any Questions?** You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting us at (909) 624-9200.