

Pathways Financial Partners

(SEC #801-62327)

Part 2a of Form ADV Part II Disclosure Brochure

October 20, 2011

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This brochure provides information about the qualifications and business practices of Pathways Financial Partners ("Pathways"). If you have any questions about the contents of this brochure, please contact us at (520) 299.5875. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Additional information about Pathways Financial Partners also is available on the SEC's website at www.adviserinfo.sec.gov.

The terms "registered investment adviser" or "registered" do not imply a specific level of skill or training.

Material Changes - There are no material changes to the Pathways Form ADV Part II Disclosure Brochure to report at this time.



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ADVISORY BUSINESS

INTRODUCTION

Pathways Financial Partners, is a fee-based investment adviser that offers two types of advisory services for *Portfolio Management Services* and *Financial Planning Services* for individuals and *ERISA Plan Investment Advisor Services* for corporations.

Pathways Financial Partners (hereafter “Pathways”) was formed on June 1, 1998 and is based in Tucson, AZ located at 4703 East Camp Lowell Suite 253. Pathways is an investment adviser registered with the Securities and Exchange Commission (“SEC”).

Pathways offers our services to individuals, corporations or other businesses, pension and profit sharing plans and trusts. Pathway’s carries out its investment advisory services through its investment adviser representatives located in Arizona and California. As of the date of this brochure, March 30, 2011, Pathways has individual assets of \$74.5 million and \$127.5 million in plan assets under management.

Pathways principal owner is **Brian Murphy**. Mr. Murphy owns 100 percent of Pathways Financial Partners.

INITIAL CONSULTATION

Pathways begins by providing potential Clients an initial consultation during the Discovery Meeting. Pathways uses the Discovery Meeting to:

- Introduce the Client to Pathway’s firm, its services, and staff;
- Gather information about the Client’s investment objectives, financial condition, and risk tolerance, which Pathways uses in forming its investment advice; and
- Reach an agreement on the terms of service and compensation arrangements.

Subsequent to the Discovery Meeting, the Pathways advisor will meet the client for the Investment Planning Meeting. During the Investment Planning Meeting the Financial Plan will be presented to the client for review. At the conclusion of this meeting the client will sign Pathway’s *Investment Advisory Agreement*, which serves as the contract between the Client and Pathways, specifying the precise nature of services to be rendered by Pathways and fees to be paid by the Client.

The discovery meeting and Investment Planning Meeting must be completed before Pathways will make any specific recommendations about the Client’s asset allocation or securities to buy or sell.

PORTFOLIO MANAGEMENT SERVICES

If the Client elects *Portfolio Management Services*, Pathways will evaluate the Client's financial condition and risk tolerance in order to tailor its securities recommendations to meet the Client's investment objectives and individual needs. Pathways also allows the Client to impose any restrictions on investing in certain securities or types of securities.

Pathways will make ongoing recommendations primarily involving: exchange-listed stocks, mutual funds, index funds, exchange-traded funds (ETFs), and bonds. However, in rare instances, Pathways may recommend investments in private placement offerings. Pathways offers Margin on TD Ameritrade custodial accounts. Given that the market will affect the value of these securities, Pathways will monitor Client accounts regularly so that it may make any necessary transactions. The securities mentioned above reflect a broad range of investment risk, including some securities that entail high degrees of risk, such as stock options. Private placement offerings also involve a high degree of risk that may not be suitable for the average investor.

Pathways does not provide any "wrap programs" (programs that bundle brokerage and advisory services under a single comprehensive fee) so all securities recommended by Pathways may include additional transaction charges by the Client's broker-dealer/custodian separate from Pathway's advisory fees.

The Client will grant Pathways discretionary trading authority in the Client's advisory account by executing the appropriate documents with the Client's broker-dealer/custodian. The discretionary authority will allow Pathways to enter securities transactions on the Client's behalf, determining which securities and the amount of securities to buy or sell. Clients will be notified of all transactions by trade confirmations from their broker-dealer/custodian and through communication with Pathways.

Pathways will also request the Client provide written authorization to allow Pathways to automatically deduct its advisory fee from the Client's account (discussed at greater length in the "FEES AND COMPENSATION" section).

FINANCIAL PLANNING SERVICES

If the Client elects *Financial Planning Services*, Pathways may extend the initial consultation to include discussions necessary to begin creating a financial plan or may arrange a follow-up meeting to review additional information about the Client's finances. In any case, the Client will have the choice to:

- Consult with Pathways on the Client's overall financial situation and obtain a comprehensive, written financial plan; or
- Consult with Pathways on a specific topic or an individual security.

As the *WealthPath* option includes the opportunity to discuss any specific topic or any individual security, Pathways recommends this option for all new Clients. For returning Clients that need to consult with Pathways on a specific topic or individual security, they can do so during a *Regular Progress Meeting*.

COMPREHENSIVE FINANCIAL PLAN – WEALTHPATH

Pathways will review all aspects of the Client's finances to prepare a written financial plan that makes comprehensive recommendations to help the Client meet their financial objectives. These areas of analysis include: overall asset allocation, securities recommendations, insurance needs, mortgage planning, consumer debt, retirement planning, college planning, trust & estate planning, savings & budgeting and tax planning.

Pathways will compile this financial information and use it to construct a *WealthPath* tailored to the Client's specific financial situation. The written financial plan will typically be constructed within a month, but will never take longer than six months.

Clients can execute the *WealthPath* on their own or Pathways can assist in implementation. If *Portfolio Management Services* are recommended in the *WealthPath*, Clients may engage Pathways for those *Portfolio Management Services* as described above.

If a client chooses to execute the *WealthPath* on their own, the client may engage Pathways for an *Annual Financial Plan Review* at the Advisor's discretion.

REGULAR PROGRESS MEETINGS

As financial conditions or objectives change over time, Pathways will engage their *Portfolio Management Services* and *Financial Planning Services* clients to review their plan regularly, no less than annually. Largely, this review merely confirms the Client's financial information is accurate, evaluates whether the financial plan is reaching its goals, and makes any revisions needed. However, during these reviews, Clients may also raise new objectives or discuss other financial topics of their choice. If Clients experience life-changing events, they may request a Progress Meeting earlier than the annual timeframe.

SEPARATE FINANCIAL PLANNING CONSULTATION

If an individual Client chooses not to engage Pathways for *Portfolio Management Services* or *Financial Planning Services*, Pathways is available on a limited basis. A member of Pathways advisory team could be accessible on an hourly basis for a *Separate Financial Planning Consultation* to discuss a specific financial topic, or evaluate a specific securities investment.

ERISA PLAN INVESTMENT ADVISORY SERVICE

Pathways offers independent investment advisory services to pension and profit sharing accounts (corporate, joint-trusted and professional corporations), non-profit foundations and educational institutions, corporations (taxable), individuals, and trusts.

The firm provides a disciplined fiduciary process for each client plan as explained in a detailed Service Plan created for each client. Minimally, the Service Plan includes;

- Fiduciary oversight services to assure a full array of well-diversified investment options across the style spectrum. Further, selected investments are scored against their available peers to assure consistency in performance and against their defined strategy in specialized evaluation reports provided to plan sponsors not less than annually.
- Annual Plan Wellness Check-Up which covers a full review of plan level utilization reports and segmentation analysis.
- Annual benchmarking of the Plan's total fees including investment, advisory and administrative expenses to assure Plan Sponsor and Participant costs are reasonable as measured by the standards of ERISA.
- Pathways Financial Partners offers employee education and communications to all plan relationships. Delivery is either systematic or upon request. Conveyance includes group employee presentations of varying, dynamic topics, one-on-one personal meetings, written communications, electronic and telephone support.

The complexity of Department of Labor (ERISA) and Internal Revenue Service (IRS) regulations are aspects of the Pathways expertise lent to the Plan client. The firm's preferred mode of operational capacity is to avoid any possible conflicts of interest.

FEES AND COMPENSATION

MANAGEMENT FEE FOR PORTFOLIO MANAGEMENT SERVICES

Pathways charges a management fee based on a percentage of assets under management. The percentage of assets charged per year (annum) is listed in the following table by assets level.

Fees are negotiable but generally range from .50% to 1.25% per year of the assets under management based on the amount of assets, overall relationship among other things. Fee's for the management of Fixed Income and Money Market portfolios are also negotiable.

\$50,000.00.00	\$1,000,000.00	1.25%
\$1,000,000.00	\$1,500,000.00	1.00%
\$1,500,000.00	\$2,500,000.00	0.85%
\$2,500,000.00	\$5,000,000.00	0.75%
\$5,000,000.00 Thereafter		0.50%

Fees include: Reporting services and custodian account fees.

Fees do not include: Trading costs (fees per transaction charged by the Custodian), exchange or ancillary custodian fees, transfer taxes, account transfer fees, interest incurred on margin, checking and debit card fees, corporate actions fees, or any fees imposed by law.

Fees are paid quarterly in arrears. Fees are due on the first day of the calendar quarter, and are based on the account's asset value as of the last business day of the prior calendar quarter. Fees are prorated for accounts opened during the quarter. The account custodian may charge fees, which are in addition to and separate from the investment advisory service fee. Custodians may charge accounts for trading costs, invoicing, performance reporting, appraisal, and reconciliation among others. Some of these fees may have been absorbed by the Adviser in the past. Clients will receive a separate disclosure document provided by the Adviser will clearly state the fees payable to the Adviser.

Any Client who wishes to terminate their agreement must provide written notification of their request to Pathways or their representative. Pathways will obtain the number of days that the account was opened during the quarter in order to calculate the final management fee. This fee will be withdrawn from the client's account prior to the transfer of funds.

PLANNING FEES FOR FINANCIAL PLANNING SERVICES

For a *WealthPath* and *Annual Financial Plan Reviews*, Pathways charges a fixed fee; however, for *Separate Financial Planning Consultations*, Pathways charges an hourly fee.

- *WealthPath*: up to \$1,400 fixed fee
- *Annual Financial Plan Review*: up to \$500 fixed fee
- *Separate Financial Planning Consultations*: \$250 hourly fee

Pathways may negotiate its fixed fee amount for a *WealthPath* based on the complexity of the financial plan. Typically, the standard financial plan takes 10 hours; those plans that take significantly less time may negotiate a lower fee while those financial plans that take significantly longer may be charged a slightly higher amount. Additionally, Pathways may offer discounts to select friends, employees (plan participants) and family. The final amount will be specified in the *Investment Advisory Agreement*.

If the *Annual Financial Plan Review* or *Separate Financial Planning Consultation* finds that a new *WealthPath* needs to be prepared and Clients engage Pathways to do so, Clients will be charged for a new *WealthPath* minus either the \$500 paid for the *Annual Financial Plan Review* or the total hourly fees charged for the *Separate Financial Planning Consultation*.

Pathways charges the above financial planning fees upon signing the *Investment Advisory Agreement* or at the time of the *Annual Financial Plan Review*. Hourly fees are charged at the conclusion of the *Separate Financial Planning Consultation*. As all of the financial planning fees are charged in arrears, Pathways does not offer refunds as services will have already been performed. If a Client chooses to terminate *Financial Planning Services* before the product is delivered or service is complete, Pathways will charge a prorated amount for the work completed and will deliver any work product completed.

If Financial Planning Clients accept and retain Pathways *Portfolio Management Services* and provide written authorization to their current broker-dealer/custodian so that Pathways can deduct its management fees directly from their advisory account, those Clients may also opt to have their financial planning fees deducted from their advisory account as well. In that case, the Client's broker-dealer/custodian will send statements, at least quarterly, to the Client that will reflect the advisory fees paid to Pathways, but the Client should verify the accuracy of fees paid.

Otherwise, Pathways will include an invoice upon delivery of the *WealthPath* or *Annual Financial Plan Review* or at the conclusion of the *Separate Financial Planning Consultation*. This invoice will require payment within thirty days after delivery.

ADVISORY FEES FOR ERISA PLAN SERVICES

The fees and compensation charged by Pathways Financial Partners is negotiated independently with each Plan Sponsor in order to consider the varying, unique characteristics or requirements of each plan. Primary determinants of the negotiated fee may include but are not limited to the

- Amount of plan assets,
- Number of employees / participants,
- Number of plan sponsor locations, and
- Special plan sponsor considerations or requirements.

Delivery of compensation or fees to Pathways is dependent upon on the invoicing or fee assessment frequency (monthly, quarterly) and policies (“arrears” or “in advance”) of the Plan Provider/Platform utilized by the Plan Sponsor.

ADDITIONAL COMPENSATION

Aside from the fees described above, certain additional disclosures related to fees are important; namely, certain of the mutual funds available through the program distribute payments to broker dealers or custodians with respect to sales of fund shares pursuant to Rule 12b-1 of the Investment Company Act of 1940 or with respect to shareholder services provided pursuant to no-transaction-fee programs. Such payments are made from fund assets and reduce overall fund performance. Such funds may be included by the representatives managing the assets where they reasonably believe the overall performance of a fund, after taking into account such payments, merits inclusion. While Pathways will endeavor to avoid incurring such fees; there may be instances where such fees are incurred. Advisory fees may be negotiated to offset these payments. Additionally, the firm or the Custodian, as contemplated herein, may receive management fees in connection with the purchase of certain mutual funds. **Please see the mutual fund prospectus for further details.** Advisory fees charged in the program are separate and distinct from any fees and expenses charged by the mutual funds themselves. Such fees are disclosed in each fund's prospectus.

Potential conflicts of interest may arise between the Client’s interests and Pathway’s interests in executing transactions as an investment adviser, if the Client chooses at his or her sole discretion to implement all or part of the Program and execute transactions through Pathways. Clients have sole responsibility for determining whether to implement any recommendations made by representatives of Pathways. **There is no requirement that the Client implements any of the recommendations or otherwise conduct business through Pathways.**

Clients will also be required to select their own broker-dealer and/or insurance companies for the implementation of consulting recommendations. If Client needs brokerage and/or other financial services, Pathways or its representatives may recommend the use of one of several brokers, banks, custodians, insurance companies or other financial professionals ("Firms"). Then Client must independently evaluate these Firms before opening an account or transacting business, and is under no obligation to effect business through any recommended Firms.

Some of Pathways representatives are also registered representatives who serve as brokers in transaction based business, for which commissions are paid. The Representatives could conceivably, therefore, have both an investment advisory account and a brokerage account for Client. Transactions in brokerage accounts are executed on an agency basis and do not imply a fiduciary relationship between the Client, the representative, and/or Pathways.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Pathways does not charge performance-based fees to our Clients.

TYPE OF CLIENT

Pathways will provide advisory services to various types of Clients, including:

Individuals: Many of Pathway's Clients will be individuals seeking financial planning and management services for their personal accounts. While *Financial Planning Services* can be provided regardless of account values, *Portfolio Management Services* will be restricted to individual accounts (or multiple accounts in one household) with a minimum value of \$250,000. Note: Pathways may waive the minimum for select friends and family.

ERISA Plans and Related Trusts: Pathways plan clients are For-profit and non-profit institutions who offer registered ERISA plans (Pension and Profit Sharing 401(k), 403(b), 457, Defined Benefit Plans, etc.). Typically these organizations will have qualified internal Administrative and Human Resources support yet seek expert Fiduciary, Investment and Educational Services.

Corporations or Other businesses, Trusts: Occasionally, Pathways will provide advisory services to small businesses and non-profits seeking financial planning or management services for their organization's interests. While *Financial Planning Services* can be performed for small businesses and non-profits with any amount of assets, *Portfolio Management Services* will be restricted to small businesses and non-profits with a minimum asset value of \$250,000. Note: Pathways may waive the minimum for select non-profits at Pathway's discretion.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Pathways and its representatives are responsible for:

- Analyzing a Client's current financial situation and assisting them in determining their investment objectives, time horizon, and risk tolerance.
- Advising Client's about investment possibilities and vehicles and educating the Client on fees, a security's features including risk and costs, how a possible investment would fit with the Client's objectives and possibly assisting the Client in determining an appropriate asset allocation. Part of the representative's analysis may include researching economic, political, and market trends, earnings, earnings ratios and various other indicators including qualitative risk analysis.
- Ongoing monitoring of the Client's investment/asset allocation as well as working with the Client to ensure that Pathways and the representative have timely information regarding the Client's needs, objectives, and risk tolerance.
- Being available to meet or discuss Client account(s) on a regular basis, and being available at such other times within reason as a Client requests.

RISK OF LOSS

When investing in securities, the risk of a decline in market value can be substantial. Pathways and its representatives cannot guarantee the future performance of the Client's Account or any specific level of performance, the success of any investment decision, asset allocation, or strategy that the representative may use. Clients should understand that investment decisions made for the Client's Account by the representative are subject to various market, currency, economic, political and business risks, and that those investment decisions will not always be profitable.

LOSS

In light of these risks associated with investing, the Client should carefully consider whether such an investment is suitable for them in light of their personal financial condition. Prior to authorizing a representative of Pathways to invest for their Account, the Client should carefully review the investment objectives that were discussed and documented with Pathways and their representative and the Client must accept, reject, or recommend changes for which the their account will be managed. Specifically, the Client should consider whether their investment objective is consistent with their personal risk tolerance and their ability to maintain his/her standard of living and/or achieve his/her financial goals in the event that their account should sustain a loss. It is important for the Client to notify Pathway's or their representative promptly if there are any significant changes in the information, financial circumstances, or investment objectives previously provided to Pathways, either verbally or in writing, that might affect the manner in which their account should be invested. It is also important that the Client review statements and confirmations in a timely manner.

Before Pathways or its representatives discuss investment strategy with a Client, they conduct due diligence to obtain the essential facts regarding a Client's assets, financial situation, objectives, time horizon and similar information. Pathways through its representatives are responsible for advising Clients on appropriate investment possibilities and vehicles based upon the Client's particular needs, objectives, and risk tolerance.

DISCIPLINARY INFORMATION

This item requires that Pathways disclose material facts about any legal or disciplinary event that is material to a Client's (or prospective Client's) evaluation of the integrity of the adviser or its management personnel and provide a list of disciplinary events that are presumptively material if they occurred in the previous 10 years. This includes, but is not limited to, any convictions for theft, fraud, bribery, perjury, forgery, counterfeiting, extortion and violations of securities laws by the adviser or one of its executives. This item also requires that disciplinary events more than 10 years old be disclosed if the event is so serious that it remains material to a Client's or prospective Client's evaluation of the adviser and the integrity of its management. Clients and prospective Clients can always view the CRD records (registration records) for Pathways or any of its IA Reps through the SEC's Investment Adviser Public Disclosure (IAPD) website at www.adviserinfo.sec.gov or through FINRA's Broker Check database online at www.finra.org/brokercheck if the IA Rep is also a broker-dealer agent

Pathway's does not have any legal or disciplinary events to disclose.

CODE OF ETHICS, PARTICIPATION IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Pathway's Code of Ethics is based on the principle that Pathways and each of its owners, employees, and representatives owe a fiduciary duty to its Clients. All owners, employees, and representative must sign the Pathways Code of Ethics at least annually. All Pathways owners and representative are expected to act in a manner that fully complies with these standards and the federal and state securities laws at all times and that otherwise is premised on fundamental principles of openness, honesty, integrity, fairness, trust and professionalism.

As a Firm, Pathways places an extremely high value on ethical conduct and challenges all owners, employees, and representatives to live up to not only the letter of the law, but also to the spirit thereof and the ideals of our organization.

One of the areas that Pathways imposes its highest level of ethical expectations is through personal securities transactions. From time to time, owners, employees, and representatives may purchase securities for themselves or family members that they also recommend to their Clients. Owners and representatives and their family members may also own securities that they recommend to Clients. It is the responsibility of the firm to closely monitor this activity to ensure that the Client's interests are always placed ahead of the owners, employees, and representatives of Pathways. Pathways' has obtained from Pathway's owners, employees, and representative when trading the same security and assess whether any individual's personal security holdings may present a conflict of interest.

For a complete copy of Pathways' Code of Ethics, please contact Pathways at (520) 299.-5875 or by mail at 4703 East Lowell, Suite 253 Tucson AZ, 85712

A copy of the Pathways Code of Ethics will be furnished to any Client, whether existing or potential, upon request.

BROKERAGE PRACTICES

If the Client or prospective Client requires brokerage services, Pathways or its representatives may recommend the use of one of several brokers, banks, custodians, insurance companies, or other financial professionals. The Client must independently evaluate the services offered by the firms including costs before opening an account or transacting business. **The Client is under no obligation to effect business through any recommended Firms.** Prior to making any recommendations, Pathways endeavors to make sure that the firm has the services that are required by our Clients at competitive rates commensurate with the service and value provided by that firm.

SOFT DOLLAR BENEFITS

Pathways, as a matter of policy and practice, does not have any formal or informal arrangements or commitments to utilize research, research-related products and other services obtained from broker dealers, or third parties, on a soft dollar commission basis. It is important to disclose that Pathways does receive some service through our custodians; however, these services are paid for through clearing agreements that are executed between Pathways and the custodian. These services include custody of securities, trade execution, and clearance and settlement of transactions. Per the clearing agreements, some tools that may be considered economic benefits are offered to Pathways. These tools could include various technology tools and products that may assist Pathways in managing Client accounts. Pathways may also be offered discounts through their affiliation with the custodian with certain vendors for products that assist Pathways

servicing Client accounts. These benefits may create a conflict of interest between Pathways and its Clients when recommending a custodian to Clients.

BEST EXECUTION

Pathways has a fiduciary and fundamental duty to seek best execution for Client transactions. Pathways, as a matter of policy and practice, seeks to obtain best execution for Client transactions, i.e., seeking to obtain not necessarily the lowest commission but the best overall qualitative execution in the particular circumstances.

AGGREGATION

The aggregation or blocking of Client transactions allows an adviser to execute transactions in a more timely, equitable, and efficient manner and seeks to reduce overall commission charges to Clients. Because we manage Client's assets on an account by account basis, Pathways normally does not aggregate Client transactions. In the event aggregation does occur, Clients participating in any aggregated transactions would receive an average share price and transaction costs will be shared equally and on a pro-rata basis.

ALLOCATION

As a matter of policy, an adviser's allocation procedures must be fair and equitable to all Clients with no particular group or Client(s) being favored or disfavored over any other Clients. Pathway's policy prohibits any allocation of trades in a manner that Pathway's proprietary accounts, affiliated accounts, or any particular Client(s) or group of Clients receive more favorable treatment than other Client accounts. Clients participating in a block trade will receive a weighted-average allocation of the securities subject to the trade subsequently upon delivery of the securities. In the event that any block order is not completely filled, a weighted-average allocation will be made first to those Clients that were a part of the original order, then an allocation will subsequently be made to each Client that was not a part of the original order, and such allocation will be made on an equitable basis.

REVIEW OF ACCOUNTS OR FINANCIAL PLANS

A representative of Pathways and/or the CCO will review all accounts at least annually. These reviews will consist of comparing account activity to the personal information collected on the account information form such as financial condition, investment objectives, and risk tolerance as well as trading frequency. The designated representative will review the following documents related to Client accounts as applicable: daily blotters, new account applications, advisory agreements, daily money/asset movement, and suspicious activity. The designated representative will also review: accurate and proper recordation, risk tolerance, investment objectives, and trading in the Client's account. Special or in depth reviews of an account would take place should there be questions or concerns from a Client regarding activity or fees, issues with representative, or if the designated reviewer detects problematic activity.

For Financial Planning Clients, Pathways reviews the Client's account in the initial preparation of a *WealthPath* and may review the Client's account during a *Separate Financial Planning Consultation*, but does **not** review those accounts again unless engaged for an *Annual Financial Plan Review*. Financial Planning Clients are encouraged to meet with Pathways at least once per year to review their account as a whole, ensuring that their financial plan aligns with their current financial condition, goals and objectives.

CLIENT REFERRALS AND OTHER COMPENSATION

Pathways may compensate other financial professionals (e.g. accountants, tax preparers) to refer their Clients to Pathways for investment advisory services. The use of referral compensation may constitute a conflict of interest. For referrals that engage Pathways for investment advisory services, Pathways will compensate the financial professional a portion of Pathway's fees. Generally, this portion will be a one-time payment of the total fees initially collected. This would be percentage of the first quarter's management fee, percentage of the total fixed fee amount for a *WealthPlan*, or percentage of the total hourly charges for a *Separate Financial Planning Consultation*. Clients may not negotiate this compensation, but Clients will not be charged any higher fees when referred by a third party than when engaging Pathways directly. Pathways will only compensate financial professionals that are licensed as investment advisers or investment adviser representatives or demonstrate some exemption from licensing.

CUSTODY

Pathway's utilizes qualified custodians for the custody of Client funds or securities. The qualified custodian will prepare and provide transaction confirmations and summary periodic statements to Clients. Should Pathways mail account information, copies of confirmations, or copies of statements to the Client, a disclosure stating that the Client should compare the information on the documents received from Pathways to the custodian provided statement or document must be included. We encourage Clients to immediately contact Pathways if any inaccurate information is found on a document sent by the custodian.

INVESTMENT DISCRETION

Pathway's does utilize discretion when investing assets for Client accounts. Pathways does obtain and execute Client authorized transactions through the custodian on behalf of the Client.

VOTING CLIENT SECURITIES

Pathway's, as a matter of policy and practice, has NO authority to vote proxies on behalf of advisory Clients. The firm may offer assistance as to proxy matters upon a Client's request, but the Client always retains the proxy voting responsibility.

FINANCIAL INFORMATION

Pathways would be required to disclose additional financial information if it were to charge fees in advance, but as described Pathways charges all advisory fees in arrears, upon delivery of a plan, or at the conclusion of a consultation. In any case, Pathways, its management and IA Reps have no material financial information (e.g. bankruptcies, liens, judgments) in their backgrounds.

ATTACHMENT A: PRIVACY POLICY

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand your rights.

CATEGORIES OF INFORMATION WE COLLECT

We collect nonpublic personal information about you from the following sources: Information we receive from you on applications or other forms; Information about your transactions with us, our affiliates, or others; and Information we receive from a consumer reporting agency.

CATEGORIES OF INFORMATION WE DISCLOSE

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law. We may also disclose nonpublic personal information about you to nonaffiliated third parties as permitted by law.

SERVICE PROVIDER/JOINT MARKETING EXCEPTION

We may disclose the following information to companies that perform marketing services on our behalf or to other financial institutions with which we have joint marketing agreements: Information we receive from you on applications or other forms, such as *your name, address, social security number, assets, and income*; Information about your transactions with us, our affiliates, or others, such as *your account balance, payment history, parties to transactions, and credit card usage*; and Information we receive from a consumer reporting agency, such as *your creditworthiness and credit history*.

CONFIDENTIALITY AND SECURITY

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

BUSINESS PROCESS

Pathways understands that customers and consumers (hereinafter jointly referred to as “customers”) expect businesses to use their customer information discretely, affording such information the privacy protection that customers and consumers deserve. Pathways will not sell or distribute confidential customer information to unaffiliated third parties for purposes of solicitation.

However, Pathways may provide access to such information to specified parties in order to effectively and efficiently conduct its business. Regardless of later updates or changes to our privacy notice, we will never use any information you submit under our current privacy notice in a new way without first providing you an opportunity to **opt-out** or otherwise prevent that use. Account and other personal information may be released when we are required to do so by law, court order, and law enforcement authority or regulatory agency.

There are a few instances in which customer information will be used in order to process business in an efficient and effective manner. An example of how Pathways shares information with other parties involves its securities execution, performance reporting and processing services. Pathways utilizes the custody and brokerage services of TD AMERITRADE, as well as mailing and other processing or data management services of third parties. Such parties are instructed to exercise similar discretion in deference to your privacy rights. The business relationships described above help Pathways administer its business and provide services and other opportunities to customers, as well as to fulfill certain regulatory requirements contemplated within the securities industry. Such parties are instructed to exercise similar discretion in deference to your privacy rights. The TD AMERITRADE Privacy Policy Statement can be found at www.advisorservices.com.

Pathways has contractual relationships with financial services organizations, including community banks, insurance companies and agencies, as well as potentially with other service corporations, to sell securities and other financial products. The sales representatives located at the respective financial services organizations are typically employees of such organizations and independent agents of pathways. Such representatives are instructed to afford customer information all due protection. These organizations are part of a Joint Marketing arrangement. Information collected from customers may be disclosed to independent contractors and business partners, who have agreed to hold this information in confidence, not use it for any purpose except to carry out the service they are providing for Pathways, and honor our privacy and security policies in the way this information is handled. Pathways may also disclose aggregate, anonymous data based on information collected from customers to actual or prospective investors and partners. Should a sale of Pathway’s business ever occur, collected customer information may be transferred along with the sale, but the information will be treated confidentially.

WEB SITE MATTERS

FINANCIAL INFORMATION

Personal information is not collected on our Web Site at the present time. If, at a later date, Pathways modifies its Site to collect such information, Pathways will be the sole owner. However, Pathway's Web Site may at some point provide customers with the ability to knowingly access Hot Links or links to Service Providers via the Pathways Web Site. Under those circumstances, the privacy procedures of those respective organizations will govern. With respect to Pathway's Web Site, Pathways will prevent unauthorized access to portion of its Web Site that may contain proprietary or confidential information; if Web access, such access is granted to such information, customers and staff of Pathways would be assigned a login and password. If through the publicly available portion of the Web Site, customers request services or to sign up for any other product or service through Pathways or its Service Providers, we will authenticate their identity and financial information such as a date of birth, social security number, credit card number and billing address before we will process any such requests. If the customer has not already done so, Pathways will have the customer complete the necessary account documentation. We will not sell, share or rent any financial information collected, except as permitted by law.

INTERNET PROTOCOL (IP) ADDRESSES

IP addresses are collected from all visitors to the Pathways Web Site. IP addresses may be used in the operation of our Web Site, to help diagnose problems with our servers and to help prevent fraud.

DATA INTEGRITY

We make diligent efforts to maintain accurate information on our customers. To prevent unauthorized access, maintain data accuracy, and ensure the correct use of information, Pathways has put in place appropriate physical, electronic, and managerial procedures to safeguard and secure the information we collect.

HOW INFORMATION IS USED

Pathways may contact customers regarding products and services offered by Pathways and its trusted affiliates and Service Providers. We may also use information collected through our Web Site for research regarding the effectiveness of the Web Site and related marketing, advertising, and sales efforts. Information will only be made publicly available where mandated by governing agencies or as disclosed in the terms and conditions of our agreements with customers. We will not post any testimonials or comments made by our clients without their explicit permission.

ELECTRONIC MAIL

Electronic communications may be sent by Pathways using customers' personal contact information to inform them of important industry news or about general services and upgrades provided by Pathways and its Service Providers. If customers do not wish to receive these industry notices, they can contact the Chief Compliance Officer at (520) 299.5875. However, in order to fulfill our service obligations for customers who elect on-line financial services, Pathways will continue to send emails regarding Customers' account administration or service interruptions for system maintenance.

3RD PARTY

If you opt to process your business via the Web Site or that of our Service Providers, or order third-party products or services made available through any of such Web Sites, we may fill in blanks on the order form for your convenience, using account data that you have previously provided us. This data is displayed for your review before the form is submitted, and you may have the option to delete or modify it before the data is sent.

MISCELLANEOUS INFORMATION

Certain additional non-personal types of information is collected and stored whenever customers interact with us. This information is collected to better develop and offer those products and services which are most desired within our industry. For example, although not presently utilized, our systems may track the page to which customer's link from Pathways and the type of Web browser used. No personally identifiable information will be linked to this aggregated information, which may be shared with partners, market researchers and other third parties on an aggregate, non-personally identifiable basis.

SITES OTHER THAN PATHWAYS

We recommend that customers review the privacy statement and policies of any online service prior to submitting personal information. If the event that Pathways Web Site provides links to other Web Sites, whereby customers knowingly link to those other Web Sites, Pathways has no control over and is not responsible for the gathering practices of other Web Sites.

CONDITIONS OF USE, CONCERNS

By choosing to visit and interact with Pathway's Web Site, customers agree that their visit and any dispute regarding the protection of their privacy during such visit is subject to this Privacy Policy Statement. Please note that if customers enter into other contractual agreements with Pathways, privacy terms and conditions of such other agreements may supplement or supersede this policy. Questions and concerns about privacy at Pathways should be directed to Christina Boyd (520) 299-5875.

DATA SECURITY

Pathways have instituted security procedures to protect information collected about our customers. We diligently monitor our systems, which are protected using industry-standard security measures. Secure Sockets Layer ("SSL") connections are used to communicate to our system to protect customer financial information as well as encrypting vital information that customers input through Pathway's and the TD AMERITRADE Web Sites. However, Pathways cannot guarantee that the information submitted to, maintained on, or transmitted from our systems will be completely secure.

DATA ACCESS

Customers may access all personal identifiable information that we collect and maintain by contacting the Chief Compliance Officer. They can correct factual errors in personally identifiable information by contacting us at (520) 299.5879. To protect customer privacy and security, Pathways reserves the right to take reasonable steps to verify customer identity prior to granting access or processing changes or corrections.

COOKIES

Pathways may use "cookie" technology in order to enhance our clients' online experience and for authentication purposes, associating them with your personally identifiable information. They are also used for measuring certain traffic patterns, and to preclude you from having to re-enter your password during multiple visits to the site. Pathways regard customer information as confidential and treat it accordingly. If it shares such information with any other parties, it is being done exclusively for the purpose of being able to better serve you. Any recipients of such information are instructed to treat the information in a confidential manner. The circumstances mentioned above include those situations that enable Pathways to be able to provide the customer with better products and services. **Nevertheless, if you or any one of a joint account holder wants to opt-out of any of the foregoing business processes, please contact Christina Boyd (520) 299-5879.**

Please note: If you are a new customer, Pathways can begin sharing your information as soon as we have a signed confirmation from you confirming that you have received this notice. When you are **no longer** our customer, we can continue to share your information as described in this notice.

Why can't I limit all sharing?

Federal law gives you the right to limit only:

- Sharing for affiliates' everyday business purposes.
- Information about your creditworthiness.
- Affiliates from using your information to market to you.
- Sharing for non-affiliates to market to you.

State laws and individual companies may give you additional rights to limit sharing.

TO LIMIT OUR SHARING

Affiliates Companies related by common ownership or control. They can be financial or nonfinancial companies.

Non-affiliates Companies not related by common ownership or control. They can be financial or nonfinancial companies.

Joint marketing A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

Questions: Should questions concerning this privacy policy arise, please send us an email info@2pathways.com, specifying "Privacy Policy Statement" in the subject line or contact Christina Boyd at (520) 299-5875, or at 4703 East Camp Lowell Tucson, AZ 85712.

ATTACHMENT B: BUSINESS CONTINUITY PLAN

Pathways Financial Partners has developed a Business Continuity Plan on how we will respond to events that significantly disrupt our business. Since the timing and impact of disasters and disruptions is unpredictable, we will have to be flexible in responding to actual events as they occur. With that in mind, we are providing you with this information on our business continuity plan.

Contacting Us - If after a significant business disruption you cannot contact us as you usually do at (520) 299.5875, you should call your representative. If you cannot access us through any of those means, you should contact your clearing firm at the phone number on your statement or the number below to gain access to your funds and securities, enter orders and process other trade-related, cash, and security transfer transactions. Should you have accounts held directly with mutual fund or variable product companies, and neither Pathways nor your representative can be contacted. There will be a phone number on your statement that you can call to execute transactions.

Additional Numbers

Please refer to our website: www.2pathways.com for the contact number for each of Pathways' custodians.

Our Business Continuity Plan - We plan to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the firm's books and records, and allowing our customers to transact business. In short, our business continuity plan is designed to permit our firm to resume operations as quickly as possible, given the scope and severity of the significant business disruption. Our business continuity plan addresses: data back-up and recovery; all mission critical systems; financial and operational assessments; alternative communications with customers, employees, and regulators; alternate physical location of employees; regulatory reporting; and assuring our customers prompt access to their funds and securities if we are unable to continue our business.

Varying Disruptions - Significant business disruptions can vary in their scope, such as only our firm, a single building housing our firm, the business district where our firm is located, the city where we are located, or the whole region. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In a disruption to only our firm or a building housing our firm, we will transfer our operations to a local site as quickly as possible. Business should be resumed within several days to one week. In a disruption affecting our business district, city, or region, we will transfer our operations to a site outside of the affected area, and recover and resume business as quickly as possible. In either situation, we plan to continue in business, transfer operations to our clearing firm if necessary, and notify you through our web site or our representatives. If the significant business disruption is so severe that it prevents us from remaining in business, we will assure our customers receive information on how to access to their funds and securities promptly.

For more information - If you have questions about our business continuity planning, you can contact us at (520) 299-5875 or you may email us at info@2pathways.com. This Business Continuity Plan is subject to modification at any time. Updates may be posted on our website or customers may request a written copy be mailed to them.

Pathways Financial Partners

(SEC #801-62327)

Part 2b of Form ADV Part II
Disclosure Brochure Supplement
Dated October 20, 2011

Representative: Brian M. Murphy

4703 East Camp Lowell
Suite 253
Tucson, AZ 85712
(520) 299.5875
www.2pathways.com

This brochure supplement provides information about Brian Murphy that supplements the Pathways Financial Partners Part 2a of Form ADV Part II Disclosure Brochure. You should have received a copy of that Brochure. Please contact Christina Boyd at (520)299-5875 if you did not receive the Pathways Financial Partners Part 2a of Form ADV Part II Disclosure Brochure or if you have any questions about this supplement.

Additional information about Brian Murphy is available on the SEC's website at www.adviserinfo.sec.gov.





Education Background and Business Experience

Name: Brian Murphy

Year of Birth: 1957

Formal Education after high school:

University of Arizona, BA, English, 1984

Business Background (including an identification of the specific positions held for the preceding five years):

Pathways Financial Partners	President, 6/98 to Present
Sunbelt Securities	Registered Representative 1/2011 to 7/2011
Evolve Securities	Registered Representative 9/06 to 12/2010
Mid Atlantic Capital Corp.	Registered Representative 5/04 to 9/06
London Pacific Advisors	Vice President Investment 6/98 to 5/04
Piper Jaffray	Vice President Investment 6/96 to 6/98

Exams/Licenses:

Series 7
Series 63
Series 65
Insurance

Disciplinary Information

If there are legal or disciplinary events material to your evaluation of Brian Murphy, we are required to disclose all material facts regarding those events. **Note:** We may, under certain circumstances, rebut the presumption that a disciplinary event is material. If an event is immaterial, we are not required to disclose it. When we review a legal or disciplinary event involving the Brian Murphy to determine whether it is appropriate to rebut the presumption of materiality, we must consider all of the following factors: (1) the proximity of Brian Murphy to the advisory function; (2) the nature of the infraction that led to the disciplinary event; (3) the severity of the disciplinary sanction; and (4) the time elapsed since the date of the disciplinary event. If we conclude that the materiality presumption has been overcome, we must prepare and maintain a file memorandum of our determination in our records. See SEC rule 204-2(a)(14)(iii) and similar state rules.

We have nothing to disclose in this regard.

Other Business Items

A. If Brian Murphy is actively engaged in any investment-related business or occupation, including if Brian Murphy is registered, or has an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant ("FCM"), commodity pool operator ("CPO"), commodity trading advisor ("CTA"), or an associated person of an FCM, CPO, or CTA, we must disclose this fact and describe the business relationship, if any, between the advisory business and the other business.



Brian Murphy is an investment adviser representative of Pathways Financial Partners.

1. If a relationship between the advisory business and Brian Murphy's other financial industry activities creates a material conflict of interest with clients, we must describe the nature of the conflict and generally how we address it.

We have nothing to disclose in this regard.

2. If Brian Murphy receives commissions, bonuses or other compensation based on the sale of securities or other investment products, including as a broker-dealer or registered representative, and including distribution or service ("trail") fees from the sale of mutual funds, disclose this fact. If this compensation is not cash, explain what type of compensation the supervised person receives. Explain that this practice gives the supervised person an incentive to recommend investment products based on the compensation received, rather than on the client's needs.

In addition to the commission received for Brian Murphy's registered representative activity described above, he also receives commissions on money market funds from Evolve Bank and Trust and compensation for referring Clients to Evolve Bank & Trust for other Evolve bank products. The commissions any other compensation is disclosed to clients prior to their purchasing these Bank Products. The Client is under no obligation to effect business through Evolve.

B. If Brian Murphy is actively engaged in any business or occupation for compensation not discussed in response to Item 4.A, above, and the other business activity or activities provide a substantial source of Brian Murphy's income or involve a substantial amount of Brian Murphy's time, disclose this fact and describe the nature of that business. If the other business activities represent less than 10 percent of the Brian Murphy's time and income, you may presume that they are not substantial.

We have nothing to disclose in this regard.

Additional Compensation

If someone who is not a client provides an economic benefit to Brian Murphy for providing advisory services, generally describe the arrangement. For purposes of this Item, economic benefits include sales awards and other prizes, but do not include Brian Murphy's regular salary. Any bonus that is based, at least in part, on the number or amount of sales, client referrals, or new accounts should be considered an economic benefit, but other regular bonuses should not.



Brian Murphy does receive some service through Pathway's custodians; however, these services are paid for through clearing agreements that are executed between Pathways and the custodian. Per the clearing agreements, some tools that may be considered economic benefits are offered to Pathways and to all of its representatives including Brian Murphy. These tools could include various technology tools and products that may assist Brian Murphy in managing Client accounts. Brian Murphy, as a representative of Pathways may also be offered discounts through their affiliation with the custodian with certain vendors for products that assist Brian Murphy in servicing Client accounts. These benefits may create a conflict of interest between and Pathways, Brian Murphy, and its Clients when recommending a custodian to Clients. The Client is under no obligation to effect business through any recommended Custodian.

Supervision

We are required to explain how we supervise Brian Murphy, including how we monitor the advice that Brian Murphy provides to clients. We will provide the name, title, and telephone number of the person responsible for supervising Brian Murphy's advisory activities on behalf of our firm.

A representative of Pathway and/or the CCO, will review Brian Murphy's accounts at least annually. These reviews will consist of comparing account activity to the personal information collected on the account information form such as financial condition, investment objectives, and risk tolerance as well as trading frequency. The designated representative of Pathways will review the following documents related to Client accounts as applicable: daily blotters, new account applications, advisory agreements, daily money/asset movement, annual office inspections, email review, risk surveillance and suspicious activity. The designated representative of Pathways will also review: accurate and proper recordation, risk tolerance, investment objectives, and trading in the Client's account. Special or in depth reviews of an account would take place should there be questions or concerns from a Client regarding activity or fees, issues with representative, or if the designated reviewer detects problematic activity. In addition, all incoming and outgoing correspondence from Clients is reviewed by the CCO, Please contact Christina Boyd at (520) 299-5875 if you have any questions about Brian Murphy's brochure supplement

Pathways Financial Partners

(SEC #801-62327)

Part 2b of Form ADV Part II
Disclosure Brochure Supplement
Dated October 20, 2011

Representative: Arthur J. Thielen IV

4703 East Camp Lowell
Suite 253
Tucson, AZ 85712
(520) 299.5875
www.2pathways.com

This brochure supplement provides information about Arthur Thielen that supplements the Pathways Financial Partners Part 2a of Form ADV Part II Disclosure Brochure. You should have received a copy of that Brochure. Please contact Christina Boyd at (520) 299-5875 if you did not receive the Pathways Financial Partners Part 2a of Form ADV Part II Disclosure Brochure or if you have any questions about this supplement.

Additional information about Arthur Thielen is available on the SEC's website at www.adviserinfo.sec.gov.





Education Background and Business Experience

Name: Arthur Thielen

Year of Birth: 1978

Formal Education after high school:

University of Arizona, BA, Political Science & Business 2002

Business Background (including an identification of the specific positions held for the preceding five years):

Pathways Financial Partners	Financial Advisor	6/03 to Present
Sunbelt Securities	Financial Advisor	1/2011 to 7/2011
Evolve Securities	Financial Advisor	9/06 to 12/2010
Mid Atlantic Capital	Financial Advisor	5/04 to 9/06
London Pacific Advisors	Financial Advisor	6/03 to 5/04
First Investors	Financial Advisor	4/02 to 6/03

Exams/Licenses:

Series 65 2007

Insurance 2000

Disciplinary Information

If there are legal or disciplinary events material to your evaluation of Arthur Thielen, we are required to disclose all material facts regarding those events. **Note:** *We may, under certain circumstances, rebut the presumption that a disciplinary event is material. If an event is immaterial, we are not required to disclose it. When we review a legal or disciplinary event involving the Arthur Thielen to determine whether it is appropriate to rebut the presumption of materiality, we must consider all of the following factors: (1) the proximity of Arthur Thielen to the advisory function; (2) the nature of the infraction that led to the disciplinary event; (3) the severity of the disciplinary sanction; and (4) the time elapsed since the date of the disciplinary event. If we conclude that the materiality presumption has been overcome, we must prepare and maintain a file memorandum of our determination in our records. See SEC rule 204-2(a)(14)(iii) and similar state rules.*

We have nothing to disclose in this regard.

Other Business Items

A. If Arthur Thielen is actively engaged in any investment-related business or occupation, including if Arthur Thielen is registered, or has an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant ("FCM"), commodity pool operator ("CPO"), commodity trading advisor ("CTA"), or an associated person of an FCM, CPO, or CTA, we must disclose this fact and describe the business relationship, if any, between the advisory business and the other business.



Arthur Thielen is also an investment adviser representative of Pathways Financial Partners.

1. If a relationship between the advisory business and Arthur Thielen's other financial industry activities creates a material conflict of interest with clients, we must describe the nature of the conflict and generally how we address it.

We have nothing to disclose in this regard.

2. If Arthur Thielen receives commissions, bonuses or other compensation based on the sale of securities or other investment products, including as a broker-dealer or registered representative, and including distribution or service ("trail") fees from the sale of mutual funds, disclose this fact. If this compensation is not cash, explain what type of compensation the supervised person receives. Explain that this practice gives the supervised person an incentive to recommend investment products based on the compensation received, rather than on the client's needs.

In addition to the commission received for Arthur Thielen's registered representative activity described above, he also receives commissions on money market funds from Evolve Bank and Trust and compensation for referring Clients to Evolve Bank & Trust for other Evolve bank products. The commissions any other compensation is disclosed to clients prior to their purchasing these Bank Products. The Client is under no obligation to effect business through Evolve.

B. If Arthur Thielen is actively engaged in any business or occupation for compensation not discussed in response to Item 4.A, above, and the other business activity or activities provide a substantial source of Arthur Thielen's income or involve a substantial amount of Arthur Thielen's time, disclose this fact and describe the nature of that business. If the other business activities represent less than 10 percent of the Arthur Thielen's time and income, you may presume that they are not substantial.

We have nothing to disclose in this regard.

Additional Compensation

If someone who is not a client provides an economic benefit to Arthur Thielen for providing advisory services, generally describe the arrangement. For purposes of this Item, economic benefits include sales awards and other prizes, but do not include Arthur Thielen's regular salary. Any bonus that is based, at least in part, on the number or amount of sales, client referrals, or new accounts should be considered an economic benefit, but other regular bonuses should not.

Pathways Financial Partners

(SEC #801-62327)

Part 2b of Form ADV Part II
Disclosure Brochure Supplement
Dated October 20, 2011

Representative: Daniel Horton

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Suite 253
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(520) 299.5875
www.2pathways.com

This brochure supplement provides information about Dan Horton that supplements the Pathways Financial Partners Part 2a of Form ADV Part II Disclosure Brochure. You should have received a copy of that Brochure. Please contact ??? at (520) 299-5875 if you did not receive the Pathways Financial Partners Part 2a of Form ADV Part II Disclosure Brochure or if you have any questions about this supplement.

Additional information about Daniel Horton is available on the SEC's website at www.adviserinfo.sec.gov.





Education Background and Business Experience

Name: Dan Horton

Year of Birth: 1958

Formal Education after high school:

University of Arizona, BS, Mechanical Engineering, 1980

Business Background (including an identification of the specific positions held for the preceding five years):

Pathways Financial Partners	Financial Advisor 7/10 to Present
State Farm	Registered Rep 7/2008 to 4/2010
Waterfall Group	Real Estate Agent 2/2007 to 7/2008
Xrail Sports	Owner 5/03 to 11/07

Exams/Licenses:

Series 65 2010
Life Insurance 2008

Disciplinary Information

If there are legal or disciplinary events material to the evaluation of Daniel Horton, we are required to disclose all material facts regarding those events. **Note:** *We may, under certain circumstances, rebut the presumption that a disciplinary event is material. If an event is immaterial, we are not required to disclose it. When we review a legal or disciplinary event involving the Dan Horton to determine whether it is appropriate to rebut the presumption of materiality, we must consider all of the following factors: (1) the proximity of Dan Horton to the advisory function; (2) the nature of the infraction that led to the disciplinary event; (3) the severity of the disciplinary sanction; and (4) the time elapsed since the date of the disciplinary event. If we conclude that the materiality presumption has been overcome, we must prepare and maintain a file memorandum of our determination in our records. See SEC rule 204-2(a)(14)(iii) and similar state rules.*

Pathway does have material facts to disclose regarding Daniel Horton – see brokercheck.finra.org

Once the above website is open, follow the directions below for additional information.

- Agree to the terms and conditions, hit continue.
- Type Daniel Horton in the search bar, select broker then hit start search.
- Click on the “Daniel Horton” then “get more information” hyperlinks for full details

Other Business Items

A. If Daniel Horton is actively engaged in any investment-related business or occupation, including if Daniel Horton is registered, or has an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant ("FCM"),



commodity pool operator ("CPO"), commodity trading advisor ("CTA"), or an associated person of an FCM, CPO, or CTA, we must disclose this fact and describe the business relationship, if any, between the advisory business and the other business.

We have nothing to disclose in this regard.

1. If a relationship between the advisory business and Daniel Horton's other financial industry activities creates a material conflict of interest with clients, we must describe the nature of the conflict and generally how we address it.

We have nothing to disclose in this regard.

2. If Daniel Horton receives commissions, bonuses or other compensation based on the sale of securities or other investment products, including as a broker-dealer or registered representative, and including distribution or service ("trail") fees from the sale of mutual funds, disclose this fact. If this compensation is not cash, explain what type of compensation the supervised person receives. Explain that this practice gives the supervised person an incentive to recommend investment products based on the compensation received, rather than on the client's needs.

We have nothing to disclose in this regard.

B. If Daniel Horton is actively engaged in any business or occupation for compensation not discussed in response to Item 4.A, above, and the other business activity or activities provide a substantial source of Daniel Horton's income or involve a substantial amount of Daniel Horton's time, disclose this fact and describe the nature of that business. If the other business activities represent less than 10 percent of the Daniel Horton's time and income, you may presume that they are not substantial.

We have nothing to disclose in this regard.

Additional Compensation

If someone who is not a client provides an economic benefit to Daniel Horton for providing advisory services, generally describe the arrangement. For purposes of this Item, economic benefits include sales awards and other prizes, but do not include Daniel Horton's regular salary. Any bonus that is based, at least in part, on the number or amount of sales, client referrals, or new accounts should be considered an economic benefit, but other regular bonuses should not.

Daniel Horton does receive some service through Pathway's custodians; however, these services are paid for through clearing agreements that are executed between Pathways and the custodian. Per the clearing agreements, some tools that may be considered economic benefits are offered to Pathways and to all of its representatives including Daniel Horton. These tools could include various technology tools and products that may assist Daniel Horton in managing Client accounts.



Daniel Horton, as a representative of Pathways may also be offered discounts through their affiliation with the custodian with certain vendors for products that assist Daniel Horton in servicing Client accounts. These benefits may create a conflict of interest between and Pathways, Daniel Horton, and its Clients when recommending a custodian to Clients. The Client is under no obligation to effect business through any recommended Custodian.

Supervision

We are required to explain how we supervise Daniel Horton, including how we monitor the advice that Daniel Horton provides to clients. We will provide the name, title, and telephone number of the person responsible for supervising Daniel Horton's advisory activities on behalf of our firm.

A representative of Pathways and/or the CCO, will review Daniel Horton's accounts at least annually. These reviews will consist of comparing account activity to the personal information collected on the account information form such as financial condition, investment objectives, and risk tolerance as well as trading frequency. The designated representative of Pathways will review the following documents related to Client accounts as applicable: daily blotters, new account applications, advisory agreements, daily money/asset movement, annual office inspections, email review, risk surveillance and suspicious activity. The designated representative of Pathways will also review: accurate and proper recordation, risk tolerance, investment objectives, and trading in the Client's account. Special or in depth reviews of an account would take place should there be questions or concerns from a Client regarding activity or fees, issues with representative, or if the designated reviewer detects problematic activity. In addition, all incoming and outgoing correspondence from Clients is reviewed by the CCO. Please contact Christina Boyd at (520) 299-5875 if you have any questions about Daniel Horton's brochure supplement.