



Part 2A of Form ADV: Firm Brochure

Frier Planning Concepts  
doing business as Pathway Advisors Group  
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October 29, 2018

This brochure provides information about the qualifications and business practices of Pathway Advisors Group ("PAG"). If you have any questions about the contents of this brochure, please contact us at (719) 260-1184. 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. PAG is a Registered Investment Adviser. Registration as an Investment Adviser with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about PAG is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as an IARD number. The IARD number for PAG is 290221.

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## ITEM 2 – MATERIAL CHANGES

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This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The material change since our last ADV filing dated March 8, 2018 is:

- Our Firm moved from Registration with the U.S. Securities and Exchange Commission to registration with the States as appropriate.

If you would like another copy of this Brochure, please download it from the SEC Website as indicated above or you may contact our Chief Compliance Officer, William David Frier at (719) 260-1184.

We encourage you to read this document in its entirety.

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#### **ITEM 4 – ADVISORY BUSINESS**

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This Disclosure document is being offered to you by Pathway Advisors Group (“PAG” or “Firm”) about the investment advisory services we provide. It discloses information about our services and the way those services are made available to you, the client.

We are an investment management firm located in Colorado Springs, CO. Our Firm became a registered investment adviser in November 2017. William David Frier is the owner of the Firm.

We are committed to helping clients build, manage, and preserve their wealth, and to provide guidance that helps clients to achieve their stated financial goals. We will offer an initial complimentary meeting upon our discretion; however, investment advisory services are initiated only after you and PAG execute an Investment Management Agreement.

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

We manage advisory accounts on a discretionary and non-discretionary basis. Under a discretionary arrangement and once we have determined a profile and investment plan with a client, we will execute the day-to-day transactions without seeking prior client consent. Account supervision is guided by the written profile and investment plan of the client. We may accept accounts with certain restrictions if circumstances warrant. We primarily allocate client assets among various equities, Exchanged Traded Funds (“ETFs”), mutual funds and debt securities in accordance with the client’s stated investment objectives.

During personal discussions with clients, we determine the client’s objectives, time horizons, risk tolerance and liquidity needs. As appropriate, we also review a client’s prior investment history, as well as family composition and background. Based on client needs, we develop a client’s personal profile and investment plan. We then create and manage the client’s investments based on that policy and plan. It is the client’s obligation to notify us immediately if circumstances have changed with respect to their goals. You will have the ability to leave standing instructions with us to refrain from investing in particular industries or invest in limited amounts of securities. We require all account restrictions or limitations be in writing.

Once we have determined the appropriate strategy for you or your business and executed the strategy, we will provide ongoing investment review and management services. This approach requires us to periodically review your portfolio.

With our discretionary relationship, we will make changes to the portfolio, as we deem appropriate, to meet your financial objectives. We trade these portfolios based on the combination of our market views and your objectives, using our investment process. We tailor our advisory services to meet the needs of our clients and seek to ensure that your portfolio is managed in a manner consistent with those needs and objectives.

**When engaged under a non-discretionary arrangement, our investment advisor representatives** will render investment advice and recommendations, but no purchase, sale, or other transaction(s) will be made with respect to any security or other assets in the account without your prior authorization. You, the Client, retain control over all investment decisions in your Account. You have the discretion to follow, or not to follow the investment advice provided to you by our Firm.

You are advised and are expected to understand that our past performance is not a guarantee of future results. Certain market and economic risks exist that adversely affect an account's performance. This could result in capital losses in your account.

### **Financial Planning**

While we will work with all portfolio management clients to understand their financial objectives, we will not present a formal financial plan for all engagements. Our Firm may charge separate fees for the preparation of a formal financial plan. Through the financial planning process, our team strives to engage our clients in conversations around the family's goals, objectives, priorities, vision, and legacy – both for the near term as well as for future generations. With the unique goals and circumstances of each family in mind, our team may offer financial planning ideas and strategies to address the client's holistic financial picture, including estate, income tax, charitable, cash flow, wealth transfer and family legacy objectives. Our team partners with our client's other advisors (CPA, estate attorney, insurance broker, etc.) to ensure a coordinated effort of all parties toward the client's stated goals. Such services include various reports on specific goals and objectives or general investment and/or planning recommendations, guidance to outside assets and periodic updates.

Our specific services in preparing your formal financial plan may include:

- Review and clarification of your financial goals;
- Assessment of your overall financial position including cash flow, balance sheet, investment strategy, risk management and estate planning;
- Creation of a unique plan for each goal you have, including personal and business real estate, education, retirement or financial independence, charitable giving, estate planning, business succession and other personal goals;
- Development of a goal-oriented investment plan, with input from various advisors to our clients around tax suggestions, asset allocation, asset location, expenses,

risk and liquidity factors for each goal. This includes IRA and qualified plans, taxable and trust accounts that require special attention.

A written Financial Plan is provided to the client. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

### **Consulting Services**

We also provide clients investment advice on a more-limited basis on one-or-more isolated areas of concern such as small business consulting, real estate, pension plan consulting, or any other specific topic. Additionally, we provide advice on non-securities matters about the rendering of estate planning, insurance, real estate, and/or annuity advice.

In these consultation engagements, you will be required to select your own investment managers, custodian and/or insurance companies for the implementation of consulting recommendations. If your needs include brokerage and/or other financial services, we will recommend the use of one of several investment managers, brokers, banks, custodians, insurance companies or other financial professionals. You must independently evaluate these firms before opening an account or transacting business, and you have the right to effect business through any firm you choose.

### **Wrap Fee Program**

We do not participate in a Wrap Fee Program.

### **Assets**

As of August 31, 2018, our firm manages \$79,802,992 under assets under management. There are \$77,659,773 in discretionary assets under management and \$2,143,219 in non-discretionary assets under management.

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## **ITEM 5 - FEES AND COMPENSATION**

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### **Investment Management Fees and Compensation**

Our Firm charges a fee as compensation for providing Investment Management services on your account. These services include advisory services, trade entry, investment supervision, and other account-maintenance activities. Our recommended custodian charges transaction costs, custodial fees, redemption fees, retirement plan and administrative fees or commissions. See Additional Fees and Expenses below for additional details.

The fees for investment management are based on an annual percentage of assets under management and are applied to the household asset value on a pro-rata basis and billed quarterly in advance, as outlined in the Investment Management Agreement. The advisory

fee is calculated using the market value of the assets in the Account on the last business day of the prior billing period.

The advisory fee schedule is as follows:

<u>Market Value of Accounts</u>	<u>Advisory Fee</u>
\$100,000–\$500,000	1.00%
\$500,001–\$750,000	0.75%
\$750,001–\$1,000,000	0.65%
\$1,000,001-Above	0.50%

The final fee schedule is attached as Addendum of the Investment Advisory Agreement. We may negotiate a lower advisory fee or have the right to waive the minimum account value listed in Item 7. Fees may vary based on the size of the account, complexity of the portfolio, extent of activity in the account or other reasons agreed upon by us and you as the client. In certain circumstances, our fees and the timing of the fee payments may be negotiated.

Unless otherwise instructed by the Client, we will aggregate related client accounts for the purposes of determining the account size and annualized fee. The common practice is often referred to as “householding” portfolios for fee purposes and may result in lower fees than if fees were calculated on portfolios separately. Our method of householding accounts for fee purposes looks at the overall family dynamic and relationship. When applicable and noted in the Investment Management Agreement, concentrated stock positions may also be excluded from the fee calculation.

The independent qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us. You will provide written authorization permitting the fees to be paid directly from your account held by the qualified custodian. Further, the qualified custodian agrees to deliver an account statement to you on a quarterly basis indicating all the amounts deducted from the account including our advisory fees. Our firm will send an invoice to you on a quarterly basis.

The investment advisory Agreement may be terminated by the client within five (5) business days of signing the Agreement without penalty or incurring any advisory fees. After the 5 business days, either party giving written notice to the other may cancel the Investment Advisory Agreement at any time for any reason. Notice given by the client shall be effective upon actual receipt by PAG at the address specified on the Investment Advisory Agreement or the then current address. The management fee will be pro-rated to the date of termination, for the quarter in which the cancellation notice was given and the unearned fee refunded to your account as indicated in your Agreement. Upon

termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets. In the event of client's death or disability, our Firm will continue management of the account until we are notified of client's death or disability and given alternative instructions by an authorized party.

### **Financial Planning Fees**

Financial Planning services are typically included in the investment management fee described above. On occasion, our firm is asked to provide financial planning services for a separate fee. In this circumstance, we will negotiate the planning fees with you. Fees may vary based on the extent and complexity of your individual or family circumstances and the amount of your assets under our management. Our fee will be agreed in advance of services being performed. The fee will be determined based on factors including the complexity of your financial situation, agreed upon deliverables, and whether or not you intend to implement any recommendations through PAG. Fixed fees for financial plans range from \$1,000 to \$10,000. The specific fixed fee for your financial plan is specified in your planning agreement with our Firm.

Typically, we complete a plan within a month and will present it to you within 90 days of the contract date, if you have provided us all information needed to prepare the financial plan. Fees are billed and payable at the time the financial plan is delivered to you. You may terminate the financial planning agreement by providing us with written notice. Upon termination, fees will be prorated to the date of termination and any earned portion of the fee will be billed to you based on an hourly rate of \$250.00. We will not require prepayment of more than \$500 in fees per client, six (6) or more months in advance of providing any services.

*In no case are our fees based on, or related to, the performance of your funds or investments.*

### **Consulting Fees**

We provide consulting services for clients who need advice on a limited scope of work. We will negotiate consulting fees with you. Fees range from \$1,000 to \$20,000 for Consulting Services and may vary based on the extent and complexity of the consulting project. Fees will be billed as services are rendered. Either party may terminate the agreement. Upon termination, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to you as described in the Agreement and our hourly rate described above.

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



In addition to the advisory fees paid to our Firm, clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "Financial Institutions"). These additional charges include securities, transaction fees, commissions, custodial fees, fees charged imposed by fund managers, charges imposed by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Our brokerage practices are described at length in Item 12, below. Neither our Firm nor its supervised persons accept compensation for the sale of securities or other investment products. Further, our firm does not share in any of these additional fees and expenses outlined above.

#### **Administrative Services Provided by Morningstar Office**

We have contracted with Morningstar Office to utilize its technology platforms to support data reconciliation, performance reporting, fee calculation and billing, client database maintenance, quarterly performance evaluations, payable reports, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, Morningstar Office will have access to client information, but Morningstar Office will not serve as an investment adviser to our clients. PAG and Morningstar Office are non-affiliated companies. Morningstar Office charges our Firm an annual fee for each account administered by Morningstar Office. Please note that the fee charged to the client will not increase due to the annual fee PAG pays to Morningstar Office, the annual fee is paid from the portion of the management fee retained by our Firm.

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

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We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance-based fees) nor engage in side-by-side management.

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#### **ITEM 7 - TYPES OF CLIENTS**

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We provide investment advice to individuals and high net individuals. We have a minimum initial account value of \$100,000 for opening an account with our firm.

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

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##### **Methods of Analysis**

Once the client's profile, financial situation, investment objectives, time horizon and risk tolerance have been determined, we will utilize various methods of analysis including, fundamental, technical and cyclical to determine the most reasonable course for investing

the client's assets. Our representatives will rely on a variety of tools in selecting a reasonable course for investing; those tools may include asset allocation, portfolio modeling, and income projection software. After the client's financial requirements are analyzed and agreed to by both parties, investing of assets may begin. In most cases the client may begin and agree to strategic, long term holdings and not tactical, short term trades, although there may be exceptions.

The main sources of investment information may include financial newspapers and magazines, media outlets that report on business, research materials prepared by others such as, Morningstar, Value Line, Schwab Research, Yahoo Finance, MarketWatch, various internet resources, and company press releases and filings with the Securities and Exchange Commission.

### *Investments*

Typical investments for clients may include equity securities such as common stocks, preferred stocks, American Depositary Receipts (ADRs), mutual funds, exchange traded funds and unit investment trusts. Also, debt instruments such as U.S. Government bills, notes and bonds, municipal and corporate bonds, and Certificates of Deposits may be selected by the representative. These investments will rely on one or several types of analysis as described in the next section. All investments involve some form of risk and no guarantees are warranted or implied.

### *Fundamental Analysis*

Fundamental analysis is a method of evaluating a company or security by attempting to measure its intrinsic value. Fundamental analysts try to determine a company's true value by looking at all aspects of the business, including both tangible factors: (e.g., machinery, buildings, land, etc.) and intangible factors: (e.g., patents, trademarks, "brand" names, etc.). Fundamental analysis also involves examining related economic factors (e.g., overall economy and industry conditions, etc.), financial factors (e.g., company debt, interest rates, management salaries and bonuses, etc.), qualitative factors (e.g., management expertise, industry cycles, labor relations, etc.), and quantitative factors (e.g., debt-to-equity, price-to-equity, price to book, and price to sales ratios.) Other factors such as dividends and stock buybacks will be considered.

### *Technical Analysis*

This method of evaluating securities analyzes statistics generated by market activity, such as past prices and volume. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

### *Cyclical Analysis*

Cyclical analysis looks at recurring periods of expansion and contraction that can impact a company's profitability and cash flow. There are a variety of cycles that can be examined, seasonal, quarterly, and annual fiscal reporting cycles, growth or contraction of sales, new product introductions, etc. Identifying cycles can help to anticipate tops and bottoms and also to determine trends. Sometimes cycles don't repeat themselves, sometimes they overlap and sometimes the offset each other. Cyclical stocks tend to rise quickly when the economy turns up and fall quickly when the economy turns down (e.g., housing, automobiles, telecommunications, paper, etc.). Non-cyclical industries (e.g., food, insurance, utilities, healthcare, etc.) are not as directly impacted by changes in the economy.

### **Investment Strategies**

All investments and investment strategies carry a certain degree of risk. This risk may be mitigated by a diversified asset allocation.

When implementing investment advice to clients, our investment advisor representatives employ long term purchases or securities held at least one year.

### **Risk of Loss**

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities involves risk of loss. Further, depending on the different types of investments there will be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our Firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

Investors should be aware that accounts are subject to the following risks:

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Cyclical Analysis** - Risks include that cycles may invert or disappear and there is no expectation that this type of analysis will pinpoint turning points, instead be used in conjunction with other methods of analysis.

**Technical Analysis** - The risk associated with this type of analysis is that analysts use subjective judgment to decide which pattern(s) a particular instrument reflects at a given time and what the interpretation of that pattern should be.

**Market Risk** — Even a long-term investment approach cannot guarantee a profit. Economic, political and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the risk that you will lose money and your investment may be worth more or less upon liquidation.

**Foreign Securities and Currency Risk** — Investments in international and emerging-market securities include exposure to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability.

**Capitalization Risk** — Small-cap and mid-cap companies may be hindered as a result of limited resources or less diverse products or services, and their stocks have historically been more volatile than the stocks of larger, more established companies.

**Interest Rate Risk** — In a rising rate environment, the value of fixed-income securities generally declines and the value of equity securities may be adversely affected.

**Credit Risk** — Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and, thus, impact the fund's performance.

**Exchange-Traded Funds** — ETFs face market-trading risks, including the potential lack of an active market for shares, losses from trading in the secondary markets and disruption in the creation/redemption process of the ETF. Any of these factors may lead to the fund's shares trading at either a premium or a discount to its "net asset value."

**Performance of Underlying Managers** — We select the mutual funds and ETFs in our portfolios. However, we depend on the manager of such funds to select individual investments in accordance with their stated investment strategy.

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## ITEM 9 - DISCIPLINARY INFORMATION

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We do not have any legal, financial or other "disciplinary" item to report.

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## ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

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Insurance

Some of our IARs are also licensed insurance agents and sell various life insurance products, long term care and fixed through the licensed insurance agency. Our IARs receive compensation (commissions, trails, or other compensation from the respective product sponsors) as a result of effecting insurance transactions for clients. A limited portion of the time IARs spend (generally less than 5%) is in connection with these insurance activities and it represents less than 5% of the ongoing revenue for our IARs. The adviser has an incentive to recommend insurance and this incentive creates a conflict of interest between your interests and our Firm. Clients should note that they have the right to decide whether or not to engage the services of our IARs. Further, clients should note they have the right to decide whether to act on the recommendations and purchase and the right to choose any professional to execute the advice for any insurance products through our IAR or any licensed insurance agent not affiliated with our Firm. We recognize the fiduciary responsibility to act in your best interests and have established policies in this regard to mitigate any conflicts of interest.

IARs of our Firm do not have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities.

Clients should be aware that the ability to receive additional compensation by our Firm and its management persons or employees creates conflicts of interest that impair the objectivity of the Firm and these individuals when making advisory recommendations. Our Firm endeavors at all times to act in the best interest of its clients as part of our fiduciary duty as a registered investment adviser; we take the following steps, among others to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for the Firm and our employees to earn compensation from advisory clients in addition to the Firm's advisory fees;
- we disclose to clients that they have the right to decide whether to purchase recommended investment products and have the right to decide who to purchase products from;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- the Firm conducts regular reviews of each client advisory account to verify that all recommendations made to a client are in the best interest of the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;

- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by the Firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

IARs of our Firm do not have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities.

#### **ITEM 11 - CODE OF ETHICS PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel to mitigate this conflict of interest. The Code of Ethics addresses, among other things, personal trading, gifts, the prohibition against the use of inside information. The Code of Ethics is designed to protect our clients to detect and deter misconduct, educate personnel regarding the firm's expectations and laws governing their conduct, remind personnel that they are in a position of trust and must act with complete propriety at all times, protect the reputation of our Firm, guard against violation of the securities laws, and establish procedures for personnel to follow so that we may determine whether their personnel are complying with the firm's ethical principles.

Our Firm and persons associated with us are allowed to invest for their own accounts or to have a financial investment in the same securities or other investments that we recommend or acquire for your account and may engage in transactions that are the same as transactions made in your account. We recognize the fiduciary responsibility to act in your best interest and have established policies to mitigate conflicts of interest.

We have established the following restrictions in order to ensure our firm's fiduciary responsibilities:

1. A director, officer or employee of PAG shall not buy or sell any securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No supervised employee of PAG shall prefer his or her own interest to that of the advisory client. Trades for supervised employees are traded alongside client accounts.
2. We maintain a list of all securities holdings of anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of PAG.

3. We emphasize the unrestricted right of the client to decline to implement any advice rendered, except in situations where we are granted discretionary authority of the client's account.
4. We require that all supervised employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
5. Any supervised employee not in observance of the above may be subject to termination.

You may request a complete copy of our Code of Ethics by contacting us at the telephone number on the cover page of this Part 2; Attn: Chief Compliance Officer.

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## **ITEM 12 - BROKERAGE PRACTICES**

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Clients must maintain assets in an account at a "qualified custodian," generally a broker-dealer or bank. We generally recommend that our clients use Charles Schwab & Co., Inc. Advisor Services ("Schwab"), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated, and unaffiliated with Schwab. Schwab will hold client assets in a brokerage account and buy and sell securities as instructed. In some cases, our Firm may recommend that you establish accounts with a firm other than Schwab to maintain custody of your assets.

While we recommend that clients use Schwab as Custodian, client must decide whether to do so and open accounts with Schwab or any other custodian by entering into account agreements directly with them. The client opens the accounts directly with the Custodian. The accounts will always be held in the name of the client and never in PAG or the Advisors' name.

### ***Recommendation of Custodians***

We seek to recommend a custodian/broker and the client selects who will hold client assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

1. Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
2. Capability to execute, clear, and settle trades (buy and sell securities for client accounts)
3. Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
4. Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)

5. Availability of investment research and tools that assist us in making investment decisions
6. Quality of services
7. Competitiveness of the price of those services (commission rates, other fees, etc.) and willingness to negotiate the prices
8. Reputation, financial strength, and stability
9. Prior service to PAG Advisors and our other clients
10. Availability of other products and services that benefit us, as discussed below (see Products and Services Available to Us from Schwab)

### ***Client Brokerage and Custody Costs***

For our clients' accounts that Schwab maintains, Schwab generally does not charge separately for custody services. On occasion, a client may be charged fees to custody alternative investments held outside of Schwab. Schwab receives compensation by charging ticket charges or other fees on trades that it executes or that settle into clients' Schwab accounts. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of client trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see How We Select Brokers/Custodians).

### ***Products and Services Available to Us from Schwab***

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like us. They provide PAG Advisors and our clients with access to its institutional brokerage, trading, custody, reporting, and related services, many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts; others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we do not have to request them) and at no charge to us. These are considered soft dollar benefits because they create an incentive to do business with Schwab. This incentive creates a conflict of interest. We have established policies in this regard to mitigate any conflicts of interest. We believe that our selection of Schwab as custodian and broker is in the best interests of clients. PAG Advisors will at all times act in the best interest of their clients and act as a fiduciary in carrying out services to clients.

Following is a more detailed description of Schwab's support services:

### ***Services That Benefit Our Clients***

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have



access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit our clients and their accounts.

#### ***Services That May Not Directly Benefit Our Clients***

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

1. Provide access to client account data (such as duplicate trade confirmations and account statements)
2. Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
3. Provide pricing and other market data
4. Facilitate payment of our fees from our clients' accounts
5. Assist with back-office functions, recordkeeping, and client reporting

#### ***Services That Generally Benefit Only Us***

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

1. Educational conferences and events
2. Consulting on technology, compliance, legal, and business needs
3. Publications and conferences on practice management and business succession
4. Access to employee benefits providers, human capital consultants, and insurance providers

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

#### ***Our Interest in Schwab's Services***

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions. We believe that our selection of Schwab as custodian and broker is in the best interests of our clients.

Some of the products, services and other benefits provided by Schwab benefit PAG Advisors and may not benefit our client accounts. Our recommendation or requirement that you place assets in Schwab's custody may be based in part on benefits Schwab provides to us, or our agreement to maintain certain Assets Under Management at Schwab, and not solely on the nature, cost or quality of custody and execution services provided by Schwab.

We place trades for our clients' accounts subject to its duty to seek best execution and its other fiduciary duties. Schwab's execution quality may be different than other Custodians. PAG annually reviews the relationship between Charles Schwab, PAG and the client in order to determine if the custodial relationship is in the best interest of the client.

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

We may aggregate transactions if we believe that aggregation is consistent with the duty to seek best execution for our clients and is consistent with the disclosures made to clients and terms defined in the client Investment Advisory Agreement. We may make trades in individual accounts (that are not aggregated with others) so that we may address that client's unique circumstances. No advisory client will be favored over any other client, and each account that participates in an aggregated order will participate at the average share price (per custodian) for all transactions in that security on a given business day.

We will aggregate trades for ourselves or our associated persons with your trades, providing that the following conditions are met:

1. Our policy for the aggregation of transactions shall be fully disclosed to our existing clients (if any) and the Custodian(s) through which such transactions will be placed;
2. We will not aggregate transactions unless we believe that aggregation is consistent with our duty to seek the best execution (which includes the duty to seek best price) for you and is consistent with the terms of our Investment Advisory Agreement with you for which trades are being aggregated.
3. No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all our transactions in a given security on a given business day;
4. We will prepare a written statement ("Allocation Statement") specifying the participating client accounts and how to allocate the order among those clients;
5. If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the allocation statement; if the order is partially filled, the accounts that did not receive the previous trade's positions should be "first in line" to receive the next allocation.
6. Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment and the reason for difference of allocation is explained in

writing and is reviewed by our compliance officer. Our books and records will separately reflect, for each client account, the orders of which aggregated, the securities held by, and bought for that account.

7. We will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation; and
8. Individual advice and treatment will be accorded to each advisory client.

### **Trade Errors**

From time-to-time we may make an error in submitting a trade order on your behalf. When this occurs, we may place a correcting trade with the Custodian of your account. If an investment gain results from the correcting trade, the gain will remain in your account unless the same error involved other client accounts that should have received the gain, it is not permissible for you to retain the gain, or we confer with you and you decide to forgo the gain (e.g. due to tax reasons). If the gain does not remain in your account and Charles Schwab & Co. Inc. is the Custodian, Charles Schwab & Co. Inc. will donate the amount of any gain \$100 and over to charity. If a loss occurs greater than \$100, we will pay for the loss. Charles Schwab & Co Inc. will maintain the loss or gain (if such gain is not retained in your account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in your account, they may be netted.

### **Directed Brokerage**

We do not recommend, request or require that you direct us to execute transaction through a specified broker dealer. Additionally, we do not permit you to direct brokerage. We place trades for your account subject to our duty to seek best execution and other fiduciary duties.

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## **ITEM 13 - REVIEW OF ACCOUNTS**

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### **Account Reviews and Reviewers – Investment Supervisory Services**

Our Investment Adviser Representatives will monitor client accounts on a monthly basis and perform annual reviews with each client. All accounts are reviewed for consistency with client investment strategy, asset allocation, risk tolerance and performance relative to the appropriate benchmark. More frequent reviews may be triggered by changes in an account holder's personal, tax or financial status. Geopolitical and macroeconomic specific events may also trigger reviews.

### **Statements and Reports**

The custodian for the individual client's account will provide clients with an account statement at least quarterly. Each quarter, clients receive an PAG-prepared written report detailing their current positions, asset allocation, and year-to-date performance. Reports and invoices are provided by our firm. You are urged to compare the reports and invoices

provided by our firm against the account statements you receive directly from your account custodian and promptly notify us of any discrepancies.

Those clients who are exclusively Consulting or Financial Planning clients (i.e. those who have no assets under management with us in our advisory program) will receive no regular reports from the Firm.

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

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We do not pay referral fees or receive compensation for referrals.

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#### **ITEM 15 – CUSTODY**

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Custody has been defined by regulators as having access or control over client funds and/or securities. Our firm does not have *physical custody*, as it applies to investment advisors.

#### **Deduction of Advisory Fees**

For all accounts, our firm requires the written authority to have fees deducted directly from client accounts. Our firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. You should carefully review those statements and are urged to compare the statements against reports and invoices received from our Firm. When you have questions about your account statements, you should contact our Firm or the qualified custodian preparing the statement. Please refer to Item 5 for more information about the deduction of adviser fees.

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#### **ITEM 16 – INVESTMENT DISCRETION**

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For discretionary accounts, prior to engaging our Firm to provide investment advisory services, you will enter a written Agreement with us granting the firm the authority to supervise and direct, on an on-going basis, investments in accordance with the client's investment objective and guidelines. In addition, you will need to execute additional documents required by the Custodian to authorize and enable PAG, in its sole discretion, without prior consultation with or ratification by you, to purchase, sell or exchange securities in and for your accounts. We are authorized, in our discretion and without prior consultation with you to: (1) buy, sell, exchange and trade any stocks, bonds or other securities or assets and (2) determine the amount of securities to be bought or sold and (3) place orders with the custodian. Any limitations to such discretionary authority must be communicated to our Firm in writing by you, the client.

The limitations on investment and brokerage discretion held by PAG for you are:

1. For discretionary accounts, we require that we be provided with authority to determine which securities and the amounts of securities to be bought or sold.
2. Any limitations on this discretionary authority shall be in writing. You may change/amend these limitations as required.

In some instances, we may not have discretion. We will request your authorization for all transactions or you will be required to make the trades if in an employer sponsored account.

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#### **ITEM 17 – VOTING CLIENT SECURITIES**

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We will not vote proxies on your behalf. You are welcome to vote proxies or designate an independent third-party at your own discretion. You designate proxy voting authority in the custodial account documents. You must ensure that proxy materials are sent directly to you or your assigned third party. We do not take action with respect to any securities or other investments that become the subject of any legal proceedings, including bankruptcies. Clients can contact our office with questions about a particular solicitation by phone at (719) 260-1184.

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#### **ITEM 18 – FINANCIAL INFORMATION**

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We do not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.

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#### **ITEM 19 – REQUIREMENT FOR STATE REGISTERED ADVISERS**

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Please see Form ADV Part 2B, Item 2 regarding the formal education and business background of our IARs. Please see Form ADV Part 2B, Item 4 for information regarding the other business activity, along with the time spent of our IARs.

Our IARs have not been involved in or found liable in an arbitration claim or civil, self-regulatory organization or administrative proceeding alleging damages in excess of \$2,500, involving an investment or an investment-related business or activity; fraud, false statement(s), or omissions; theft, embezzlement, or other wrongful taking of property; bribery, forgery, counterfeiting, or extortion; or dishonest, unfair, or unethical practices.

Our Firm does not assess clients a performance fee.

Neither our Firm, nor its management personnel, have any relationship or arrangement with issuers of securities.

Our Firm maintains a written Business Continuity Plan (BCP). The BCP outlines procedures relating to an emergency or significant business disruption. Our procedures are reasonably designed to enable our Firm or any of its investment advisory representatives to meet their existing fiduciary obligations to client.



**PATHWAY ADVISORS  
GROUP**

**Frier Planning Concepts, Inc.  
D.B.A., Pathway Advisors Group**

5025 Boardwalk Drive, Suite 200  
Colorado Spring, CO 80919  
719-260-1184

**William David Frier**  
5025 Boardwalk Drive, Suite 200  
Colorado Spring, CO 80919  
719-260-1184

2B Supplemental Brochure

October 2018

The Brochure Supplement provides information about David Frier (CRD#1029781) that supplements the Pathway Advisors Group Brochure. You should have received a copy of the Brochure. Please contact the Chief Compliance Officer at 719-260-1184 or [david@friernet.com](mailto:david@friernet.com) if you did not receive Pathway Advisors Group's Brochure or if you have any questions about the contents of this supplement.

Additional information about David Frier is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as the CRD number listed above.

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## ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

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### David Frier

Born: 1959

Post-Secondary Education:

- University of Michigan, BA, Economics, 1981
- Insurance Licenses in Life, Accident & Health

Recent Business Experience:

- *Frier Planning Concepts DBA, Pathway Advisors Group, Principal, 02/2002- Present*
- *Frier Planning Concepts DBA Pathway Advisors Group, Investment Adviser Representative, 11/2017 - Present*
- *Parkland Securities, LLC, Registered Representative/ Investment Adviser Representative, 10/2012 – 11/2017*

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## ITEM 3 - DISCIPLINARY INFORMATION

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David Frier has no history of any legal or disciplinary events that deems to be material to a client's consideration of David Frier to act as their investment adviser representative. FINRA's BrokerCheck® may have additional information regarding the disciplinary history of David Frier that is not included in this brochure supplement. (SEC Adviser Info).

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## ITEM 4 - OTHER BUSINESS ACTIVITIES

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David Frier is an insurance agent. It is anticipated that a small portion, less than (10%) of his time, will be spent providing these insurance products. He may receive compensation from selling insurance products and therefore receive economic benefit for this activity. This activity creates a conflict of interest with clients. However, since this activity represents less than 10% of his time and income, it is presumed not to be substantial. In any event, clients have the right to decide whether to act on the recommendation and the right to purchase any insurance products through the insurance agent of their choice. The Firm and its IARs will always act in the best interest of the client.

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## ITEM 5 - ADDITIONAL COMPENSATION

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David Frier does not receive any economic benefit for providing advisory services beyond the scope of Pathway Advisors Group and business activities listed in Item 4.

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## ITEM 6 - SUPERVISION

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David Frier is the Chief Compliance Officer of Pathway Advisors Group. His activities are generally supervised in accordance with the Firm's compliance procedures. He will adhere to the policies and procedures of the Firm. Specific areas of review include transactions,



account suitability and written correspondence including email, among other activities. David Frier may be reached at 719-260-1184.

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**ITEM 7 - REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

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David Frier has not been involved in or found liable in an arbitration claim or civil, self-regulatory organization or administrative proceeding alleging damages in excess of \$2,500, involving an investment or an investment-related business or activity; fraud, false statement(s), or omissions; theft, embezzlement, or other wrongful taking of property; bribery, forgery, counterfeiting, or extortion; or dishonest, unfair, or unethical practices. David Frier has not been the subject of a bankruptcy petition. To the best of our ability all material conflicts of interest are disclosed regarding the Firm, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.