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**Form ADV Part 2A Brochure  
For  
Pension Consulting Services**

This brochure provides information about the qualifications and business practices of Pathways Financial Partners, Inc. 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 or by any state securities authority.

Additional information about Pathways Financial Partners, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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

**Material Changes - Item 2**

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

On March 12, 2020, we submitted our annual updating amendment filing for fiscal year 2019 and updated Item 4 of our Form ADV Part 2A Brochure to disclose discretionary assets under management of approximately \$126,372,751 and non-discretionary assets under management of \$0.

We review and update our brochure at least annually to make sure that it remains current.

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#### Advisory Business - Item 4

Pathways Financial Partners (hereafter "Pathways") was formed on June 1, 1998 and is based in the State of Arizona. Pathways' principal owner is Brian Murphy. Mr. Murphy owns 100 percent of Pathways Financial Partners.

Pathways is a fee-based investment adviser that offers investment advisory services to individuals and ERISA Plan investment advisor services for corporations.

#### **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 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 certain 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.

#### **Assets Under Management**

As of February 28, 2020, we manage \$126,372,751 in client assets on a discretionary basis and \$0 in client assets on a non-discretionary basis.

### **Fees and Compensation - Item 5**

#### **ERISA Plan Services Fees**

Pathways Financial Partners charges a fee of up to 1.00% of plan assets. The fee 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.

#### **General Information on Advisory Services and Fees**

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

We shall never have custody of any Client funds or securities, as the services of a qualified and independent custodian will be used for these asset management services. We will send you an invoice for the payment of our advisory fee, or we will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy. We will also receive a duplicate copy of your account statements.

The fees charged are calculated as described above and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds, or any portion of the funds of an advisory Client (15 U.S.C. §80b-5(a)(1)).

#### **Additional Compensation**

All fees paid to Pathways for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. We generally seek to avoid funds with sales charges. However, some funds may have early redemption fees if sold prior to the expiration of their holding periods.

A client could invest in a mutual fund directly, without the services of Pathways. In that case, the client would not receive the services provided by Pathways which are designed, among other things, to assist

the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by Pathways to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Conflicts of interest between you and our firm, and the Associated Persons of our firm, are outlined in this Disclosure Brochure. If additional conflicts arise in the future, we will notify you in writing or supply you with an updated Disclosure Brochure.

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

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

#### Types of Clients - Item 7

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

**Individuals:** Many of Pathways' Clients will be individuals seeking financial planning and management services for their personal accounts. *Financial Planning Services* can be provided regardless of account values.

**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.

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

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

Investing involves substantial risks, including complete possible loss of principal plus other losses and may not be suitable for many members of the public. Unlike savings and checking accounts at a bank, investments are not insured by the government to protect against market losses. Different market instruments carry different types and degrees of risk and you should familiarize yourself with the risks

involved in the particular market instruments in which you intend to invest. Due to the nature of our service, we do not provide direct supervisory and management services over self-directed accounts. As such our firm is not responsible for the performance of the participant's account. A self-directed retirement account can give the participant more freedom with their investment choices. However, it can also increase the participant's risk exposure, if they do not understand the types of investments offered or if they choose more volatile investments, for example. Another risk is the potential of triggering a prohibited transaction within the account. Prohibited transaction means using a self-directed plan to invest in a way that violates Internal Revenue Service rules.

**Cybersecurity Risks** – Pathways and our service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from cyber-attacks and hacking by other computer users, and to avoid the resulting damage and disruption of hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. In general, cyber-attacks are deliberate, however, unintentional events may have similar effects. Cyber-attacks may cause losses to Clients by interfering with the processing of transactions, affecting the ability to calculate net asset value or impeding or sabotaging trading. Clients may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, and the dissemination of confidential and proprietary information. Any such breach could expose our firm to civil liability as well as regulatory inquiry and/or action. In addition, Clients could be exposed to additional losses as a result of unauthorized use of their personal information. While technology vendors for our firm have established business continuity plans, incident response plans and/or systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Similar types of cyber security risks also are present for issuers of securities in which we invest, which could result in material adverse consequences for such issuers and may cause a Client's investment in such securities to lose value.

#### Disciplinary Information - Item 9

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. There is no history of material legal or disciplinary events by our firm or our management persons.

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

Pathways and its Associated Persons have no other reportable financial industry activities or affiliations.

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

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

Pathways' 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.

##### **Personal Trading Practices**

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 Pathways' 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.

#### Brokerage Practices - Item 12

We do not recommend specific broker dealers to ERISA Plan investment advisory services clients.

#### Review of Accounts - Item 13

Pathways offers clients a formal plan review at least annually.

Clients will receive statements directly from their account custodian(s) on at least a quarterly basis. Additionally, Clients may receive other supporting reports from mutual funds companies, recordkeeping firms, insurance companies, Broker/Dealers and others who are involved in the management of Clients' accounts.



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

Pathways and its related persons do not receive compensation from third party source in relation to services offered to ERISA Plan clients.

Pathways and its related persons do not compensate, either directly or indirectly, any person or entity who is not our supervised person for client referrals.

#### Custody - Item 15

Pathways does not take direct or indirect custody over ERISA Plan accounts.

#### Investment Discretion - Item 16

Generally, Pathways offers Portfolio Management Services on a discretionary basis. However, most pension consulting services are offered on a non discretionary basis. Clients must grant discretionary authority in the Client's investment advisory agreement. Discretionary authority extends to the type and amount of securities to be bought and sold and do not require advance Client approval. However, Pathways does not have the ability to withdraw funds or securities from the Client's account.

We may consider limiting our discretionary authority if a client wishes to set limits on the types of securities that can be purchased for their account. Simply provide us with your guidelines in writing. Please refer to the "Advisory Business" section in this Brochure for more information on our discretionary management services.

#### Voting Client Securities - Item 17

##### **Proxy Voting**

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

#### Financial Information - Item 18

We are required in this Item to provide you with certain financial information or disclosures about

Pathways' financial condition. Pathways does not require the prepayment of over \$1,200, six or more months in advance. Additionally, Pathways has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

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

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

#### Miscellaneous

##### **Confidentiality**

Pathways views protecting its customers' private information as a top priority and, pursuant to the requirements of the Gramm-Leach-Bliley Act, the firm has instituted policies and procedures to ensure that customer information is kept private and secure.

Pathways does not disclose any nonpublic personal information about its customers or former customers to any nonaffiliated third parties, except as permitted by law. In the course of servicing a client account, Pathways may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers.

Pathways restricts internal access to nonpublic personal information about its clients to those employees who need to know that information in order to provide products or services to the client. Pathways maintains physical and procedural safeguards that comply with state and federal standards to guard a client's nonpublic personal information and ensure its integrity and confidentiality. As emphasized above, it has always been and will always be the firm's policy never to sell information about current or former customers or their accounts to anyone. It is also the firm's policy not to share information unless required to process a transaction, at the request of the client, or as required by law.

A copy of the firm's privacy policy notice will be provided to each client prior to, or contemporaneously with, the execution of the Advisory Agreement. If you have any questions on this policy, please contact Pathways at (520) 299-5875.