



## **PathWise**

# **Form ADV Part 2A – Disclosure Brochure**

**March 2019**

This Form ADV2A (“Disclosure Brochure”) provides information about the qualifications and business practices of PathWise. If you have any questions about the contents of this Disclosure Brochure, please contact us at (925) 939-5607.

PathWise is a registered investment advisor located in the State of California. The information in this Disclosure Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about PathWise to assist you in determining whether to retain the Advisor.

Additional information about PathWise and its advisory persons are available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for our firm or by our CRD# 174215.

**PathWise**  
**2255 Contra Costa Blvd., Suite 207**  
**Pleasant Hill, CA 94523**  
**Phone: (925) 939-5607 \* Fax: (925) 464-1214**  
**[www.pathwise.co](http://www.pathwise.co)**

## **Item 2 – Material Changes**

---

Regulatory rules require that we provide a summary of any material changes to this Brochure and any subsequent Brochures within 120 days of the close of our business's fiscal year. In addition, we will provide other ongoing disclosure information about material changes or an updated brochure when necessary.

There are no material changes to report since our last filing was done on March 2018

At any time, you may view the current Disclosure Brochure online at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching by our firm name or our firm CRD # **174215**. You may also request a copy of this Disclosure Brochure at any time, by contacting us at (925) 939-5607.

---

**PathWise**

2255 Contra Costa Blvd., Suite 207 \* Pleasant Hill, CA 94523  
Phone: (925) 939-5607 \* Fax: (925) 464-1214  
[www.pathwise.co](http://www.pathwise.co)

### Item 3 – Table of Contents

---

<b>Item 1 – Cover Page</b> .....	<b>1</b>
<b>Item 2 – Material Changes</b> .....	<b>2</b>
<b>Item 3 – Table of Contents</b> .....	<b>3</b>
<b>Item 4 – Advisory Services</b> .....	<b>4</b>
A. Firm Information .....	4
B. Advisory Services Offered .....	4
C. Client Account Management .....	5
D. Wrap Fee Programs .....	6
E. Assets Under Management .....	6
F. Assets Under Advisement .....	6
<b>Item 5 – Fees and Compensation</b> .....	<b>6</b>
A. Fees for Advisory Services .....	6
B. Fee Billing .....	8
C. Other Fees and Expenses .....	8
D. Fees and Termination .....	8
E. Compensation for Sales of Securities .....	9
<b>Item 6 – Performance-Based Fees and Side-By-Side Management</b> .....	<b>9</b>
<b>Item 7 – Types of Clients</b> .....	<b>10</b>
<b>Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss</b> .....	<b>10</b>
A. Methods of Analysis .....	10
B. Risk of Loss .....	10
<b>Item 9 – Disciplinary Information</b> .....	<b>11</b>
<b>Item 10 – Other Financial Industry Activities and Affiliations</b> .....	<b>12</b>
<b>Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading</b> .....	<b>12</b>
A. Code of Ethics .....	12
B. Personal Trading with Material Interest .....	12
C. Personal Trading in Same Securities as Clients .....	12
D. Personal Trading at Same Time as Client .....	13
<b>Item 12 – Brokerage Practices</b> .....	<b>13</b>
A. Recommendation of Custodian[s] .....	13
B. Aggregating and Allocating Trades .....	13
<b>Item 13 – Review of Accounts</b> .....	<b>14</b>
A. Frequency of Reviews .....	14
B. Causes for Reviews .....	14
C. Review Reports .....	14
<b>Item 14 - Client Referrals and Other Compensation</b> .....	<b>14</b>
A. Compensation Received by PathWise .....	14
B. Client Referrals from Solicitors .....	15
<b>Item 15 – Custody</b> .....	<b>15</b>
<b>Item 16 – Investment Discretion</b> .....	<b>15</b>
<b>Item 17 – Voting Client Securities</b> .....	<b>15</b>
<b>Item 18 – Financial Information</b> .....	<b>16</b>
<b>Item 19 – Requirements for State Registered Advisors</b> .....	<b>16</b>
<b>Form ADV Part 2B – Brochure Supplement (Wells, Ryan)</b> .....	<b>17</b>
<b>Form ADV Part 2B – Brochure Supplement (Puzia, Arek)</b> .....	<b>20</b>
<b>Privacy Policy</b> .....	<b>24</b>

**PathWise**

2255 Contra Costa Blvd., Suite 207 \* Pleasant Hill, CA 94523  
Phone: (925) 939-5607 \* Fax: (925) 464-1214  
[www.pathwise.co](http://www.pathwise.co)

## **Item 4 – Advisory Services**

---

### **A. Firm Information**

PathWise (the “Advisor”) is a registered investment advisor located in the State of California, which is organized as a Limited Liability Company (LLC) under the laws of California. PathWise was founded in December 2014 and is owned and operated by Chief Executive Officer and Chief Compliance Officer Ryan P. Wells and Chief Investment Officer Arek Puzia, CPA. This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by PathWise.

### **B. Advisory Services Offered**

PathWise offers investment advisory services to individuals, high net worth individuals, pension plans in California and other states (each referred to as a “Client”).

#### Investment Management Services

PathWise provides customized investment advisory solutions for its Clients. This is achieved through continuous personal Client contact and interaction while providing discretionary investment management and planning services. PathWise works with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create a portfolio allocation. PathWise will then construct a portfolio, consisting of diversified mutual funds and/or exchange-traded funds (“ETFs”) to achieve the Client’s investment goals. The Advisor may also utilize individual stocks, bonds, and limited partnerships to meet the needs of its Clients.

PathWise’s investment strategy is primarily long-term focused, but the Advisor may buy, sell, or re-allocate positions that have been held less than one year to meet the objectives of the Client or due to market conditions. PathWise will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by the Advisor.

PathWise evaluates and selects investments for inclusion in Client portfolios only after applying its internal due diligence process. PathWise may recommend, on occasion, redistributing investment allocations to diversify the portfolio. PathWise may recommend specific positions to increase sector or asset class weightings. The Advisor may recommend employing cash positions as a possible hedge against market movement. PathWise may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client’s risk tolerance.

**Prior to rendering investment advisory services, PathWise will ascertain, in conjunction with the Client, the Client’s financial situation, risk tolerance, and investment objective[s].**

PathWise will provide investment advisory services and portfolio management services and will not provide securities custodial or other administrative services. At no time will PathWise accept or maintain custody of a Client’s funds or securities, except for the authorized deduction of the Advisor’s fees. All Client assets will be managed within their designated brokerage account[s] or pension account[s], pursuant to the Client investment advisory agreement.

#### Retirement Plan Advisory Services

PathWise offers retirement plan advisory services to pensions and other employee benefit plans, including but not limited to 401k plans, based on the demographics, goals, objectives, time horizon, and/or risk tolerance of the plan’s participants.

#### **PathWise**

2255 Contra Costa Blvd., Suite 207 \* Pleasant Hill, CA 94523  
Phone: (925) 939-5607 \* Fax: (925) 464-1214  
[www.pathwise.co](http://www.pathwise.co)

## Financial Planning Services

PathWise will typically provide a variety of financial planning services to individuals and families, pursuant to a written financial planning agreement. Services are offered in several areas of a Client's financial situation, depending on their goals, objectives, and financial situation.

Generally, such financial planning services will involve preparing a financial plan or render a financial consultation based on the Client's financial goals and objectives. This planning may encompass one or more areas of need, including, but not limited to investment planning, retirement planning, personal savings, education savings and other areas of a Client's financial situation.

A financial plan developed for the Client will usually include general recommendations for a course of action or specific actions to be taken by the Client. For example, recommendations may be made that the Client start or revise their investment programs, commence, or alter retirement savings, establish education savings and/or charitable giving programs. PathWise may also refer Clients to an accountant, attorney, or another specialist, as appropriate for their unique situation. For certain financial planning engagements, the Advisor will provide a written summary of Client's financial situation, observations, and recommendations. The Advisor typically offers its Clients an ongoing financial planning engagement on a quarterly fee basis. Please see Item 5 for more details.

Financial planning recommendations may pose a potential conflict between the interests of the Advisor and the interests of the Client. For example, a recommendation to engage the Advisor for investment management services or to increase the level of investment assets with the Advisor would pose a conflict, as it would increase the advisory fees paid to the Advisor. Clients are not obligated to implement any recommendations made by the Advisor or maintain an ongoing relationship with the Advisor. If the Client elects to act on any of the recommendations made by the Advisor, the Client is under no obligation to affect the transaction through the Advisor.

## Personal CFO Services

PathWise offers a full-range of financial solutions serving the needs of high net-worth individuals, families and companies. Since many of our clients receive advice from multiple sources (CPA, attorney, stockbroker, private banker, insurance agent, etc), they ask us to take a leading role coordinating the advice from each professional and then implementing it, so it is all working together. This comprehensive advisory service is called our "Personal CFO Service" and allows us to seamlessly integrate your entire financial life into a comprehensive plan giving you confidence that all your assets are working towards your goal. It provides a single platform where we can advise clients on virtually all their financial matters. Clients utilizing the Personal CFO Services will also be able to integrate the additional services provided by Pathwise such as Client Account Management and Tax Preparation Services.

### **C. Client Account Management**

Prior to engaging PathWise to provide investment advisory services, each Client is required to enter into an investment advisory agreement with the Advisor that defines the terms, conditions, authority, and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Policy Statement – PathWise, in connection with the Client, will assist in developing investment goals and objectives and the strategies to achieve those goals.
- Asset Allocation – PathWise will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation, and tolerance for risk for each Client.
- Portfolio Construction – PathWise will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.

#### **PathWise**

2255 Contra Costa Blvd., Suite 207 \* Pleasant Hill, CA 94523  
Phone: (925) 939-5607 \* Fax: (925) 464-1214  
[www.pathwise.co](http://www.pathwise.co)

- Investment Management and Supervision – PathWise will provide investment management and ongoing oversight of the Client’s portfolio and overall account.

**D. Wrap Fee Programs**

PathWise does not manage or place Client assets into a wrap fee program. Investment management services are provided directly by PathWise.

**E. Assets Under Management**

As of December 31, 2018, PathWise manages the following assets:

Assets Under Management	Assets
Discretionary Assets	\$63,010,208
Non-Discretionary Assets	\$9,030,662
<b>Total</b>	<b>\$72,040,870</b>

**F. Assets Under Advisement**

As of December 31, 2018, PathWise advises the following assets:

Assets Under Advisement	Assets
Non-Discretionary	\$41,197,562

**Item 5 – Fees and Compensation**

---

The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client shall sign an investment advisory agreement that details the responsibilities of PathWise and the Client.

**A. Fees for Advisory Services**

The specific manner in which fees are charged is established in a client’s written agreement. However, the general fee structures are outlined below.

Investment Management Services

Investment advisory fees will be paid quarterly in arrears pursuant to the terms of the investment advisory agreement.

Currently, clients may be paying Investment advisory fees quarterly in advance pursuant to the terms of the investment advisory agreement. These advance payment arrangements will be moved to an arrears payment arrangement through a fee addendum with the clients.

Investment advisory fees are based on the market value of assets under management at the end of each calendar quarter, and if the Client is engaged in additional advisory services. Investment advisory fees range from 1.25% to 0.40% based on the following schedules:

The following linear schedule applies to Clients, generally with an account size above \$750,000, whose financial situation has a lower level of complexity, and will generally not enlist the Advisor for financial planning services:

Assets Under Management	Annual Rate
\$0 to \$500,000	1.25%
\$500,001 to \$1,000,000	0.95%
\$1,000,001 to \$2,000,000	0.90%
\$2,000,001 to \$5,000,000	0.80%

**PathWise**  
 2255 Contra Costa Blvd., Suite 207 \* Pleasant Hill, CA 94523  
 Phone: (925) 939-5607 \* Fax: (925) 464-1214  
[www.pathwise.co](http://www.pathwise.co)

\$5,000,001 and over	0.75%
----------------------	-------

The following tiered schedule applies to Clients, generally with an account size below \$750,000, whose financial situation has a higher level of complexity, and/or who are paying less than a quarterly financial planning fee of \$750:

Assets Under Management	Annual Rate
\$0 to \$500,000	1.25%
\$500,001 to \$1,000,000	0.95%
\$1,000,001 to \$2,000,000	0.90%
\$2,000,001 to \$5,000,000	0.80%
\$5,000,001 and over	0.75%

The following tiered schedule applies to new Clients who pay a minimum quarterly fee of \$750 with the Advisor for its financial planning services. Please see Item 5.B and Item 5.D below for additional details:

Assets Under Management	Annual Rate
\$0 to \$1,000,000	0.60%
\$1,000,001 to \$2,000,000	0.50%
\$2,000,001 to \$5,000,000	0.45%
\$5,000,001 and over	0.40%

Fees may be negotiable at the discretion of the Advisor. The Client's fees will take into consideration the aggregate assets under management with Advisor. All securities held in accounts managed by PathWise will be independently valued by the designated custodian. PathWise will not have the authority or responsibility to value portfolio securities.

The Client may be able to attain similar services for a lower fee from other service providers.

#### Retirement Plan Advisory Services

Retirement plan advisory fees are paid quarterly in arrears pursuant to the terms of the investment advisory contract. Retirement plan advisory fees are based on the market value of assets under management at the end of the quarter. Retirement plan advisory fee is at an annual rate of 0.50%.

#### Financial Planning Services

PathWise offers financial planning services on a fixed annual fee basis ranging from \$5,000 to \$15,000, depending on the nature and complexity of each Client's circumstances, the frequency of Client interactions, and other factors. Financial planning fees are negotiable at the sole discretion of the Advisor. The Advisor will provide the Client with an estimate of total costs prior to engaging the Advisor.

#### Personal CFO Service

PathWise offers Personal CFO Services on a fixed annual fee basis ranging from \$10,000 to \$25,000, depending on the nature and financial complexity of Client's circumstances, gross income, net worth, and other factors. The client will receive an agreement indicated the annual fixed fee amount which will be paid quarterly in arrears. The annual fixed fee, Client gross income, Client net worth, and the nature and financial complexity of Client's circumstances shall be reevaluated by both PathWise and Client biennially, with the first such reevaluation scheduled for two years from the effective date of this Agreement. At such reevaluation, PathWise and Client shall mutually agree to an annual fixed fee, Client gross income, and Client net worth. If Client's financial situation materially changes between biennial reevaluations, PathWise reserves the right to renegotiate the annual fixed fee with Client, and Client agrees to cooperate with PathWise in such respect in good faith.

#### **PathWise**

2255 Contra Costa Blvd., Suite 207 \* Pleasant Hill, CA 94523  
 Phone: (925) 939-5607 \* Fax: (925) 464-1214  
[www.pathwise.co](http://www.pathwise.co)

The Advisor's fee is exclusive of, and in addition to, brokerage fees, transaction fees, and other related costs and expenses, which may be incurred by the Client. However, the Advisor shall not receive any portion of these commissions, fees, and costs.

## **B. Fee Billing**

### Investment Management and Retirement Plan Advisory Services

Investment advisory fees will either be automatically deducted from the Client account[s] by the custodian or paid directly by the Client upon receipt of an invoice for services. For Clients agreeing to have their advisory fees directly deducted, the Advisor shall send an invoice to the custodian indicating the amount of the fees to be deducted from the Client account[s] at the respective quarter end date. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the total assets under management with PathWise at the end of each quarter. Clients will be provided with a statement, at least quarterly, from the custodian reflecting the deduction of the investment advisory fee. In addition, the Advisor will provide the Client a report itemizing the fee, including the calculation period covered by the fee, the account value and the methodology used to calculate the fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting PathWise to be paid directly from their accounts held by the custodian as part of the investment advisory agreement and separate account forms provided by the custodian.

### Financial Planning and Personal CFO Service

Financial planning and Personal CFO Service fees are invoiced quarterly in arrears and are due upon receipt of invoice.

## **C. Other Fees and Expenses**

Clients may incur certain fees or charges imposed by third parties, other than PathWise, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer. The investment advisory fee charged by PathWise is separate and distinct from these custodian and execution fees.

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

Pathwise is not paid any portion of these third-party fees.

## **D. Fees and Termination**

Advance Payment

### Investment Management Services

PathWise is compensated for its services in advance of the quarter in which investment advisory services are rendered. Either party may terminate the investment advisory agreement with PathWise, at any time, by providing advance written notice to the other party. The Client shall be responsible for investment advisory fees up to and including the effective date of termination. Upon termination, the Advisor will refund any unearned, prepaid investment advisory fees from the effective date of termination to the end of the quarter. The Client's investment

#### **PathWise**

2255 Contra Costa Blvd., Suite 207 \* Pleasant Hill, CA 94523

Phone: (925) 939-5607 \* Fax: (925) 464-1214

[www.pathwise.co](http://www.pathwise.co)

advisory agreement with the Advisor is non-transferable without the Client's written approval.

#### Retirement Plan Advisory Services

The Advisor may terminate the agreement upon providing thirty (30) days prior written notice to the Client, and the Client may terminate upon providing seven (7) days prior written notice to the Advisor. Termination of the agreement will not result in any penalty, accrued rights, or existing commitments.

#### Financial Planning and Personal CFO Service

PathWise offers financial planning and a Personal CFO Service as a perpetual engagement. Financial planning and Personal CFO agreements intended as perpetual will be ongoing in nature and continue until terminated by either party. Either party may terminate a planning or Personal CFO Service agreement at any time by providing written notice to the other party. In addition, the Client may terminate the agreement within five (5) business days of signing the Advisor's financial planning or Personal CFO agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. Upon termination, the Advisor will refund any unearned, prepaid fees. The Client shall be responsible for all unpaid fees up to and including the effective date of termination. A prorated invoice shall be provided, and the prorated amount will be immediately deducted from the clients account or be billed and shall be paid immediately upon receipt.

#### Arrears Payments

#### Investment Management Services

PathWise is compensated for its services in arrears of the quarter in which investment advisory services are rendered. Either party may terminate the investment advisory agreement with PathWise, at any time, by providing advance written notice to the other party. The Client shall be responsible for investment advisory fees up to and including the effective date of termination. A prorated invoice shall be provided, and the prorated amount will be immediately deducted from the clients account or be billed and shall be paid immediately upon receipt. The Client's investment advisory agreement with the Advisor is non-transferable without the Client's written approval.

#### Retirement Plan Advisory Services

The Advisor may terminate the agreement upon providing thirty (30) days prior written notice to the Client, and the Client may terminate upon providing seven (7) days prior written notice to the Advisor. Termination of the agreement will not result in any penalty, accrued rights, or existing commitments.

#### Financial Planning and Personal CFO Service

PathWise offers financial planning and a Personal CFO Service as a perpetual engagement. Financial planning and Personal CFO agreements intended as perpetual will be ongoing in nature and continue until terminated by either party. Either party may terminate a planning or Personal CFO agreement at any time by providing written notice to the other party. In addition, the Client may terminate the agreement within five (5) business days of signing the Advisor's financial planning or Personal CFO Service agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. The Client shall be responsible for all unpaid fees up to and including the effective date of termination. A prorated invoice shall be provided, and the prorated amount will be immediately deducted from the clients account or be billed and shall be paid immediately upon receipt.

#### **E. Compensation for Sales of Securities**

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

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

PathWise does not charge performance-based fees for its investment advisory services. The fees charged by

**PathWise**  
2255 Contra Costa Blvd., Suite 207 \* Pleasant Hill, CA 94523  
Phone: (925) 939-5607 \* Fax: (925) 464-1214  
[www.pathwise.co](http://www.pathwise.co)

PathWise are as described in “Item 5 – Fees and Compensation” above and are not based upon the capital appreciation of the funds or securities held by any Client.

PathWise does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

## **Item 7 – Types of Clients**

---

PathWise provides investment advisory services to individuals, high net worth individuals, and pension plans.

Employee benefit plans which select Pathwise to provide investment advisory services should be aware that the Employee Retirement Income Security Act of 1974 (“ERISA”) sets forth rules under which Plan Fiduciaries may retain investment advisers for various types of services with respect to Plan assets. For certain services, Pathwise will be considered a fiduciary under ERISA. For example, Pathwise will act as a fiduciary when providing non- discretionary investment advice to the Plan Fiduciaries by recommending a suite of investments as choices among which Plan Participants may select. Also, to the extent that the Plan Fiduciaries retain Pathwise to act as an investment manager within the meaning of ERISA § 3(38), Pathwise will provide discretionary investment management services to the Plan.

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

---

### **A. Methods of Analysis**

PathWise primarily employs fundamental analysis methods in developing investment strategies for its Clients. Research and analysis from PathWise is derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others. PathWise may also employ technical analysis, which is the attempt to predict future prices based on the analysis and trends of historical market data.

PathWise may also base its investments around the modern portfolio theory as a formal investment selection process. This theory attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various assets.

As noted above, PathWise generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. PathWise will typically hold all or a portion of a security for more than a year but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, PathWise may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector, or asset class.

### **B. Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. PathWise will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

Fundamental analysis utilizes economic and business indicators as investment selection criteria. These criteria are generally ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor’s review process are included below in “Item 13 – Review of Accounts”.

#### **PathWise**

2255 Contra Costa Blvd., Suite 207 \* Pleasant Hill, CA 94523  
Phone: (925) 939-5607 \* Fax: (925) 464-1214  
[www.pathwise.co](http://www.pathwise.co)

Technical analysis seeks to predict future prices or direction of an investments value based on market trends. A risk of technical analysis methods is that he market does not always follow patterns and relying solely on this method may not work longer term. As such, the Advisor does not solely rely on this method.

Modern portfolio theory assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same of all investors, but different investors will evaluate the trade-off differently based on the individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better than expected returns.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process.

#### Alternative Investments (Limited Partnerships)

The performance of alternative investments (limited partnerships) can be volatile and may have limited liquidity. An investor could lose all or a portion of their investment. Such investments often have concentrated positions and investments that may carry higher risks. The client should only have a portion of their assets in these investments.

#### Cybersecurity:

The technology systems of the firm and the respective service providers may be vulnerable to inadvertent or deliberate interruption and consequent damage from technical or human sources. In addition to natural catastrophes, service/power outages, and network or telecommunication failures, security breaches and intrusion by unauthorized persons could result in damage, disruption, and theft of data, including investor information. Pathwise has implemented cybersecurity procedures meant to address these risks. Nevertheless, given the fundamental dependence on technology, a cyber-attack or similar technology disruption could have a material adverse impact on Clients and investments. Additionally, there are inherent limitations in cybersecurity policies and procedures and controls including the possibility that certain risks have not been identified. Pathwise has limited due diligence and risk assessments of third-party providers. However, Pathwise is not able to control the cybersecurity plans, breach notifications, incident response plans and controls put in place by other services providers and/or the issuers in which the client invest. It is in the client's best interest to monitor all of their accounts on a regular basis and stay informed to cybersecurity best practices.

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

#### Item 9 – Disciplinary Information

---

**There are no legal, regulatory, or disciplinary events involving PathWise or any of its employees.**

PathWise and its advisory personnel value the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider with whom you partner. Our backgrounds are on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching

**PathWise**

2255 Contra Costa Blvd., Suite 207 \* Pleasant Hill, CA 94523

Phone: (925) 939-5607 \* Fax: (925) 464-1214

[www.pathwise.co](http://www.pathwise.co)

by the firm name or the firm CRD# **174215**. This will provide access to Form ADV Parts 1 and 2. Item 11 of the Form ADV Part 1 lists legal and disciplinary disclosure questions.

## **Item 10 – Other Financial Industry Activities and Affiliations**

### **Insurance Agency Affiliations**

Mr. Wells also serves as an insurance professional. Implementations of insurance recommendations are done as a service for clients of Pathwise. As an insurance professional, Mr. Wells may receive customary commissions and other related revenues from the various insurance companies whose products are sold.

Commissions generated by insurance sales do not offset regular advisory fees. This may cause a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by Mr. Wells or the Advisor.

### **Accounting and Tax Services**

The Advisor may also assist Clients in accounting and the preparation of federal and state tax returns. Depending on the terms of the agreement with each Client, the cost for these services may or may not be included in the Advisor's fees. The Advisor receives minimal income derived from accounting and tax preparation services. Clients are under no obligation to engage the Advisor for accounting or tax preparation services.

Mr. Puzia is a Professor at Diablo Valley College, California. Mr. Puzia spends approximately 25 hours a month and less than 1 hour a day during trading hours as a Professor. Mr. Puzia teaches Financial Accounting and Managerial Accounting.

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

### **A. Code of Ethics**

PathWise has implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all Supervised Persons associated with PathWise. The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. PathWise and its personnel owe a duty of loyalty, fairness, and good faith towards each Client. It is the obligation of PathWise associates to adhere not only to the specific provisions of the Code but also to the general principles that guide the Code. The Code of Ethics covers a range of topics that address employee ethics and conflicts of interest. To request a copy of our Code of Ethics, please contact us at (925) 939-5607

### **B. Personal Trading with Material Interest**

PathWise allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. PathWise does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a fund or advise an investment company. PathWise does not have a material interest in any securities traded in Client accounts.

### **C. Personal Trading in Same Securities as Clients**

PathWise allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities, we recommend (purchase or sell) to you presents a potential conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted a Code of Ethics, which addresses insider trading (material non-public information controls) and personal securities reporting procedures. When trading for personal accounts, Supervised Persons with access to Client account information (our "Access Persons") of PathWise may have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can potentially be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by PathWise requiring reporting of personal securities trades by its Access Persons. We have also adopted written policies and procedures to

#### **PathWise**

2255 Contra Costa Blvd., Suite 207 \* Pleasant Hill, CA 94523

Phone: (925) 939-5607 \* Fax: (925) 464-1214

[www.pathwise.co](http://www.pathwise.co)

detect the misuse of material, non-public information.

#### **D. Personal Trading at Same Time as Client**

While PathWise allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterward. **At no time will PathWise, or any Supervised Persons of PathWise, transact in any security to the detriment of any Client.**

## **Item 12 – Brokerage Practices**

---

### **A. Recommendation of Custodian[s]**

PathWise does not have discretionary authority to select the broker-dealer/custodian for custodial and execution services or the administrator for defined contribution accounts. The Client will select the broker-dealer or custodian (herein the "custodian") to safeguard Client assets and authorize PathWise to direct trades to this custodian as agreed in the investment advisory agreement. Further, PathWise does not have the discretionary authority to negotiate commissions on behalf of our Clients on a trade-by-trade basis.

Where PathWise does not exercise discretion over the selection of the custodian, it may recommend the custodian[s] to Clients for execution and/or custodial services. Clients are not obligated to use the recommended custodian and will not incur any extra fee or cost associated with using a broker not recommended by PathWise.

PathWise may recommend a custodian based on criteria such as, but not limited to, the reasonableness of commissions charged to the Client, services made available to the Client, and location of the custodian's offices. PathWise does not receive research services, other products, or compensation as a result of recommending a particular broker that may result in the Client paying higher commissions than those obtainable through other brokers.

Following are additional details regarding the brokerage practices of the Advisor:

**1. Soft Dollars** - Soft dollars are revenue programs offered by broker-dealers whereby an advisor enters into an agreement to place security trades with the broker in exchange for research and other services. **PathWise does not participate in soft dollar programs sponsored or offered by any broker-dealer.**

**2. Brokerage Referrals** - PathWise does not receive any compensation from any third party in connection with the recommendation for establishing a brokerage account.

**3. Directed Brokerage** - All Clients are serviced on a "directed brokerage basis," where PathWise will place trades within the established account[s] at the custodian designated by the Client. Further, all Client accounts are traded within their respective brokerage account[s]. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account[s]). In selecting the custodian, PathWise will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. The designated custodian determines these costs.

**4. Benefits**-Pathwise receives benefits when the client's assets are custodied and specific Custodians/Broker-Dealers. Pathwise receives a discount on research provided by a specific mutual fund due to the size of the investment in the fund by clients of Pathwise. These benefits may otherwise not be provided to Pathwise. The benefits include research, access to institutional trading, operations services, and compliance tools, which are typically not available to retail investors.

### **B. Aggregating and Allocating Trades**

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution,

#### **PathWise**

2255 Contra Costa Blvd., Suite 207 \* Pleasant Hill, CA 94523

Phone: (925) 939-5607 \* Fax: (925) 464-1214

[www.pathwise.co](http://www.pathwise.co)

4) confidentiality and 5) the skill required of the broker. PathWise will execute its transactions through an unaffiliated broker-dealer selected by the Client. PathWise may aggregate orders in a block trade or trades when securities are purchased or sold through the same broker-dealer for multiple (discretionary) accounts. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular Client accounts.

## **Item 13 – Review of Accounts**

---

### **A. Frequency of Reviews**

Accounts are monitored on a regular and continuous basis by Mr. Wells and Mr. Puzia. Formal reviews are generally conducted at least annually or more or less frequently depending on the needs of the Client.

### **B. Causes for Reviews**

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more or less frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account. The Client is encouraged to notify PathWise if changes occur in the Client's personal financial situation that might adversely affect the Client's investment plan. Additional reviews may be triggered by material market, economic or political events.

### **C. Review Reports**

The Client will receive brokerage statements no less than quarterly from the trustee or custodian. These brokerage statements are sent directly from the custodian to the Client. The Client may also establish electronic access to the custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions, and fees relating to the Client's account[s]. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

At all times the staff of Pathwise will take note of any changes in behavior or transactions by any client that might cause suspicion of cognitive function or potential exposure to fraud. As with all clients of the firm, only suitable investments will be recommended and executed.

In the event the firm is suspicious of any abuse or strange behavior, the firm will report to the Elder Abuse Hotline or other law enforcement or regulators and may not process a withdrawal or investment request. If the client wishes they may also name a trusted contact that the advisor can contact on the client's behalf in case of diminished capacity or suspected Fraud. Please contact the firm to obtain documentation to add a trusted contact.

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

---

### **A. Compensation Received by PathWise**

#### **Participation in Institutional Advisor Platform**

The Advisor participates in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisory services, which include custody of securities, trade execution, clearance, and settlement of transactions. The Advisor receives some benefits from TD Ameritrade through its participation in the Program.

As disclosed above, the Advisor participates in TD Ameritrade's Program, and the Advisor may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between the Advisor's participation in the program and the investment advice it gives to its Clients, although the Advisor receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail

#### **PathWise**

2255 Contra Costa Blvd., Suite 207 \* Pleasant Hill, CA 94523  
Phone: (925) 939-5607 \* Fax: (925) 464-1214  
[www.pathwise.co](http://www.pathwise.co)

investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving the Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to the Advisor by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by the Advisor's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit the Advisor but may not benefit its Client accounts. These products or services may assist the Advisor in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help the Advisor manage and further develop its business enterprise. The benefits received by the Advisor or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Advisor endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by the Advisor or its related persons in and of itself creates a conflict of interest and may indirectly influence the Advisor's choice of TD Ameritrade for custody and brokerage services.

#### Accounting and Tax Services/Insurance Services

The Advisor may also assist Clients in accounting and the preparation of federal and state tax returns. Depending on the terms of the agreement with each Client, the cost for these services may or may not be included in the Advisor's fees. The Advisor receives minimal income derived from accounting and tax preparation services. Clients are under no obligation to engage the Advisor for accounting or tax preparation services. Also, as stated in Item 10, Mr. Wells is compensated for recommending insurance products to clients of PathWise.

#### **B. Client Referrals from Solicitors**

PathWise does not engage paid solicitors for Client referrals.

#### Item 15 – Custody

PathWise does not accept or maintain custody of any Client accounts, except for the authorized deduction of the Advisor's fee. All Clients must place their assets with a qualified custodian. Clients are required to select their own custodian to retain their funds and securities and direct PathWise to utilize that custodian for the Client's security transactions. PathWise encourages Clients to review statements provided by the account custodian. For more information about custodians and brokerage practices, see "Item 12 - Brokerage Practices".

#### Item 16 – Investment Discretion

PathWise generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by PathWise. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an investment advisory agreement containing all applicable limitations to such authority. All discretionary trades made by PathWise will be in accordance with each Client's investment objectives and goals.

#### Item 17 – Voting Client Securities

PathWise does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies. However, the Client retains the sole responsibility for proxy decisions and voting.

#### **PathWise**

2255 Contra Costa Blvd., Suite 207 \* Pleasant Hill, CA 94523  
Phone: (925) 939-5607 \* Fax: (925) 464-1214  
[www.pathwise.co](http://www.pathwise.co)

## **Item 18 – Financial Information**

---

Neither PathWise nor its management, have any adverse financial situations that would reasonably impair the ability of PathWise to meet all obligations to its Clients. Neither PathWise nor any of its advisory persons, has been subject to a bankruptcy or financial compromise. PathWise is not required to deliver a balance sheet along with this Disclosure Brochure as the Advisor does not collect fees of \$500 or more for services to be performed six months or more in advance.

## **Item 19 – Requirements for State Registered Advisors**

---

### **A. Educational Background and Business Experience of Principal Officer**

Ryan P. Wells and Arek Puzia serve as the Principal Officers (“Principals”) of the Advisor. Information regarding the formal education and background the Principals is included in Item 2 of Part 2B below.

### **B. Other Business Activities of Principal Officer**

Mr. Wells has additional business activities that are detailed in “Item 10 - Other Financial Activities and Affiliations”.

### **C. Performance Fee Calculations**

PathWise does not charge performance-based fees for its investment advisory services. The fees charged by PathWise are as described in “Item 5 – Fees and Compensation” above and are not based upon the capital appreciation of the funds or securities held by any Client.

### **D. Disciplinary Information**

***There are no legal, civil, or disciplinary events to disclose regarding PathWise or its Principals.*** Neither PathWise nor its Principals have ever been involved in any regulatory, civil, or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against PathWise or its Principals. Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair, or unethical practices. ***As previously noted, there are no legal, civil, or disciplinary events to disclose regarding PathWise or its Principals.***

### **E. Material Relationships with Issuers of Securities**

Neither PathWise nor its Principals have any relationships or arrangements with issuers of securities.

#### **PathWise**

2255 Contra Costa Blvd., Suite 207 \* Pleasant Hill, CA 94523  
Phone: (925) 939-5607 \* Fax: (925) 464-1214  
[www.pathwise.co](http://www.pathwise.co)



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

**for**

**Ryan P. Wells  
Chief Executive Officer and Chief Compliance Officer**

**March 2019**

This Form ADV2B (“Brochure Supplement”) provides information about the background and qualifications of Ryan P. Wells (CRD# **4568402**) in addition to the information contained in the PathWise (the “Advisor”) (CRD# 174215) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the contents of the PathWise Disclosure Brochure or this Brochure Supplement, please contact us at (925) 939-5607.

Additional information about Mr. Wells is available on the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**PathWise**

2255 Contra Costa Blvd., Suite 207 \* Pleasant Hill, CA 94523  
Phone: (925) 939-5607 \* Fax: (925) 464-1214  
[www.pathwise.co](http://www.pathwise.co)

## Item 2 – Educational Background and Business Experience

Ryan Wells, born in 1981, is dedicated to advising Clients of PathWise in his role as the Chief Executive Officer and Chief Compliance Officer of PathWise. Mr. Wells has no post-secondary education experience.

Additional information regarding Mr. Wells' employment history is included below.

### **Employment History:**

Chief Executive Officer and Chief Compliance Officer, PathWise	11/2014 to Present
CEO & CCO, Acclaro Wealth Management, LLC	03/2012 to 03/2015
Registered Representative, LPL Financial LLC (Linsco/Private Ledger)	06/2007 to 08/2013
Registered Representative, MML Investor Services, Inc.	07/2002 to 06/2007
Agent, Mass Mutual Life Insurance	07/2002 to 06/2007

## Item 3 – Disciplinary Information

**There are no legal, civil, or disciplinary events to disclose regarding Mr. Wells.** Mr. Wells has never been involved in any regulatory, civil, or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against Mr. Wells.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair, or unethical practices. **As previously noted, there are no legal, civil, or disciplinary events to disclose regarding Mr. Wells.**

However, we do encourage you to independently view the background of Mr. Wells on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching by his name or his CRD# **4568402**.

## Item 4 – Other Business Activities

### Insurance Agency Affiliations

Mr. Wells is also a licensed insurance professional for various insurance companies. Implementations of insurance recommendations are separate and apart from his role with PathWise. As an insurance professional, Mr. Wells may receive customary commissions and other related revenues from the various insurance companies whose products are sold. Commissions generated by insurance sales do not offset regular advisory fees. This may cause a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by Mr. Wells or the Advisor.

## Item 5 – Additional Compensation

Mr. Wells has additional business activities where compensation is received. These business activities are detailed in Item 4 above.

## Item 6 – Supervision

Mr. Wells serves as the Chief Executive Officer and Chief Compliance Officer of PathWise. Mr. Wells can be reached at (925) 939-5607.

PathWise has implemented a Code of Ethics and internal compliance that guide each employee in meeting their fiduciary obligations to Clients of PathWise. Further, PathWise is subject to regulatory oversight by various agencies. These agencies require registration by PathWise and its employees. As a registered entity, PathWise is subject to examinations by regulators, which may be announced or unannounced. PathWise is required to

**PathWise**  
2255 Contra Costa Blvd., Suite 207 \* Pleasant Hill, CA 94523  
Phone: (925) 939-5607 \* Fax: (925) 464-1214  
[www.pathwise.co](http://www.pathwise.co)

periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.

**Item 7 – Requirements for State Registered Advisors**

---

Mr. Wells does not have any additional information to disclose.



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

**for**

**Arek D. Puzia, CPA  
Chief Investment Officer  
March 2019**

This Form ADV2B (“Brochure Supplement”) provides information about the background and qualifications of Arek D. Puzia (CRD# **5706618**) in addition to the information contained in the PathWise (the “Advisor”) (CRD# 174215) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the contents of the PathWise Disclosure Brochure or this Brochure Supplement, please contact us at (925) 939-5607.

Additional information about Mr. Puzia is available on the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

---

**PathWise**

2255 Contra Costa Blvd., Suite 207 \* Pleasant Hill, CA 94523  
Phone: (925) 939-5607 \* Fax: (925) 464-1214  
[www.pathwise.co](http://www.pathwise.co)

## **Item 2 – Educational Background and Business Experience**

Arek Puzia, CPA, CFP® born in 1981, is dedicated to advising Clients of PathWise in his role as the Chief Investment Officer of PathWise. Mr. Puzia earned an MBA in Business Administration from the University of Chicago in 2010. Mr. Puzia also earned a Bachelor of Arts Business in Economics from the University of California, Los Angeles in 2005.

Additional information regarding Mr. Puzia’s employment history is included below.

### **Employment History:**

Chief Investment Officer, PathWise Wealth Partners, LLC	11/2014 to Present
Valuation Manager, Crowe Horwath LLP	11/2013 to 11/2015
Registered Representative, Acclaro Wealth Management	01/2012 to 03/2015
Investment Banking Associate, GCA Savvian Advisors, LLC	10/2010 to 01/2012
Global Market Associate, Merrill Lynch, Pierce, Fenner & Smith Incorporated	08/2009 to 10/2010

### **Designations**

Mr. Puzia earned his CPA on 01/26/2016 and a Certified Financial Planner designation on 08/24/2016

### **Certified Public Accountant (“CPA”)**

CPAs are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education, experience and testing requirements for licensure as a CPA generally include minimum college education (typically 150 credit hours with at least a baccalaureate degree and a concentration in accounting), minimum experience levels (most states require at least one year of experience providing services that involve the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification by a CPA), and successful passage of the Uniform CPA Examination. In order to maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a two-year period or 120 hours over a three-year period). Additionally, all American Institute of Certified Public Accountants (AICPA) members are required to follow a rigorous Code of Professional Conduct which requires that they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interest (and obtain client consent if a conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees, and serve the public interest when providing financial services. The vast majority of state boards of accountancy have adopted the AICPA’s Code of Professional Conduct within their state accountancy laws or have created their own.

### **Certified Financial Planner (“CFP®”)**

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services and attain a bachelor’s degree from a regionally accredited United States college or university (or its equivalent from a foreign university).

CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;

Examination – Pass the comprehensive CFP® Certification Examination. The examination consists of two 3-hour

**PathWise**  
2255 Contra Costa Blvd., Suite 207 \* Pleasant Hill, CA 94523  
Phone: (925) 939-5607 \* Fax: (925) 464-1214  
[www.pathwise.co](http://www.pathwise.co)

sessions separated by a scheduled 40-minute break. The examination includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;

Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and

Ethics – Agree to be bound by CFP Board's Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

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

Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and

Ethics – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

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

### **Item 3 – Disciplinary Information**

---

***There are no legal, civil, or disciplinary events to disclose regarding Mr. Puzia.*** Mr. Puzia has never been involved in any regulatory, civil, or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against Mr. Puzia.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair, or unethical practices. ***As previously noted, there are no legal, civil, or disciplinary events to disclose regarding Mr. Puzia.***

However, we do encourage you to independently view the background of Mr. Puzia on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching by his name or individual CRD # **5706618**.

### **Item 4 – Other Business Activities**

---

Mr. Puzia is a Professor at Diablo Valley College, California. Mr. Puzia spends approximately 25 hours a month and less than 1 hour a day during trading hours as a Professor. Mr. Puzia teaches Financial Accounting and Managerial Accounting.

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

---

Mr. Puzia is dedicated to the investment advisory activities of PathWise's Clients. Mr. Puzia does not receive any additional forms of compensation except as referenced in Item 4.

### **Item 6 – Supervision**

---

Mr. Puzia serves as the Chief Investment Officer of PathWise and is supervised by Ryan Wells, the Chief Compliance Officer. Ryan Wells can be reached at (925) 939-5607.

**PathWise**  
2255 Contra Costa Blvd., Suite 207 \* Pleasant Hill, CA 94523  
Phone: (925) 939-5607 \* Fax: (925) 464-1214  
[www.pathwise.co](http://www.pathwise.co)

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

### **Item 7 – Requirements for State Registered Advisors**

---

Mr. Puzia does not have any additional information to disclose.

**PathWise**

2255 Contra Costa Blvd., Suite 207 \* Pleasant Hill, CA 94523  
Phone: (925) 939-5607 \* Fax: (925) 464-1214  
[www.pathwise.co](http://www.pathwise.co)

**PathWise  
Privacy Policy  
2019**

**Our Commitment to You**

PathWise Wealth Partners, LLC (“PathWise” or the “Advisor”) is committed to safeguarding the use of personal information of our Clients (also referred to as “you” and “your”) that we obtain as your Investment Advisor, as described here in our Privacy Policy (“Policy”).

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

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

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

**Why you need to know?**

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

**What information do we collect from you?**

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

**What Information do we collect from other sources?**

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

**How do we protect your information?**

To safeguard your personal information from unauthorized access and use we maintain physical, procedural, and electronic security measures. These include such safeguards as secure passwords, encrypted file storage, and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates are trained on their responsibilities to protect Client’s personal information.

We require third parties that assist in providing our services to you to protect the personal information they receive from us.

**PathWise**  
2255 Contra Costa Blvd., Suite 207 \* Pleasant Hill, CA 94523  
Phone: (925) 939-5607 \* Fax: (925) 464-1214  
[www.pathwise.co](http://www.pathwise.co)

**How do we share your information?**

An RIA shares Client personal information to implement its services effectively. In the section below, we list some reasons we may share your personal information.

Basis for Sharing	Do we share?	Can you limit?
<p><b>Servicing our Clients</b> We may share non-public personal information with non-affiliated third parties (such as administrators, brokers, custodians, regulators, credit agencies, other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; responding to regulators or legal investigations; and credit reporting.</p>	Yes	No
<p><b>Marketing Purposes</b> PathWise does not disclose and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where PathWise or the client has a formal agreement with the financial institution. <b>We will only share information for purposes of servicing your accounts, not for marketing purposes.</b></p>	No	Not Shared
<p><b>Authorized Users</b> Your non-public personal information may be disclosed to you and persons that we believe to be your authorized agent(s) or representative(s).</p>	Yes	Yes
<p><b>Information About Former Clients</b> PathWise does not disclose and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our Clients.</p>	No	Not Shared

**State-specific Regulations**

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

**Changes to our Privacy Policy**

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us.

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

**Any Questions?**

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting us at (925) 939-5607.

**PathWise**  
 2255 Contra Costa Blvd., Suite 207 \* Pleasant Hill, CA 94523  
 Phone: (925) 939-5607 \* Fax: (925) 464-1214  
[www.pathwise.co](http://www.pathwise.co)

Filename: ADV\_PART2A\_2B\_2019Pathwise.docx  
Directory: C:\Users\Lisa\Desktop\CoulterAdministration\Pathwise\ADV\ADV  
2019\PW\_01292019  
Template: Normal.dotm  
Title: FormADV2A-2B\_PathWise\_20160312  
Subject:  
Author: Thomas Yates  
Keywords:  
Comments:  
Creation Date: 2/12/2019 12:33:00 PM  
Change Number: 14  
Last Saved On: 2/12/2019 1:06:00 PM  
Last Saved By: Lisa Marsden  
Total Editing Time: 34 Minutes  
Last Printed On: 2/12/2019 1:08:00 PM  
As of Last Complete Printing  
Number of Pages: 25  
Number of Words: 10,741 (approx.)  
Number of Characters: 61,226 (approx.)