



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
PATHWAY ADVISORS GROUP,) Case No. AP-20-01
CRD #290221, and WILLIAM DAVID)
FRIER, CRD #1029781)
Respondents.)

CONSENT ORDER

SUMMARY OF SECURITIES DIVISION'S ALLEGATIONS

1. The Missouri Securities Division of the Office of Secretary of State ("the Securities Division"), through Enforcement Counsel Douglas M. Jacoby, has alleged that Pathway Advisors Group ("Pathway") transacted business in the State of Missouri without being registered or exempt from registration in violation of Section 409.4-403(a)¹ and employed an unregistered investment adviser representative in violations of Section 409.4-403(d). The Securities Division further alleged that William David Frier ("Frier") (with Pathway, "Respondents") transacted business in the State of Missouri without being registered or exempt from registration in violation of Section 409.4-404(a). The Securities Division alleges that these violations constitute grounds to issue an order in accordance with Section 409.6-604.
2. Respondents and the Securities Division desire to settle the allegations and the matters raised by the Securities Division relating to Respondents' alleged violations of Sections 409.4-403 and 409.4-404.

CONSENT TO JURISDICTION

3. Respondents and the Securities Division stipulate and agree that the Missouri Commissioner of Securities ("the Commissioner") has jurisdiction over Respondents and these matters pursuant to the Missouri Securities Act of 2003, Chapter 409, *et seq.*
4. Respondents and the Securities Division stipulate and agree that the Commissioner has authority to enter this Order pursuant to Section 409.6-604(h), which provides:

¹ Unless otherwise specified, all statutory references are to the 2016 Revised Statutes of Missouri.

“The commissioner is authorized to issue administrative consent orders in the settlement of any proceeding in the public interest under this act.”

WAIVER AND EXCEPTION

5. Respondents waive any rights to a hearing with respect to this matter.
6. Respondents waive any rights that they may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Respondents specifically forever release and holds harmless the Missouri Office of the Secretary of State, Secretary of State, Commissioner, and their respective representatives and agents from any and all liability and claims arising out of, pertaining to, or relating to this matter.
7. Respondents stipulate and agree with the Securities Division that, should the facts contained herein prove to be false or incomplete, the Securities Division reserves the right to pursue any and all legal or administrative remedies at its disposal.

CONSENT TO COMMISSIONER’S ORDER

8. Respondents and the Securities Division stipulate and agree to the issuance of this Consent Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.
9. Respondents agree not to take any action or to make or permit to be made any public statement creating the impression that this Order is without factual basis. Nothing in this paragraph affects Respondents’ (a) testimonial obligations; (b) right to take legal or factual positions in defense of litigation or in defense of other legal proceedings in which the Commissioner is not a party; or (c) right to make public statements that are factual.
10. Respondents agree that they are not the prevailing party in this action since the parties have reached a good faith settlement.
11. Respondents neither admit nor deny the allegations made by the Securities Division or the Findings of the Commissioner, but consent to the Commissioner’s Findings of Fact, Conclusions of Law, and Order as set forth below solely for the purposes of resolving this proceeding and any proceeding that may be brought to enforce the terms of this Consent Order.

THE COMMISSIONER’S FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

I. FINDINGS OF FACT

12. Pathway is a Colorado-based investment adviser with an address of 5025 Boardwalk Drive, Suite 200, Colorado Springs, Colorado 80919. Pathway is registered with the State of Colorado and the Central Registration Depository (“CRD”) system with number 290221.

13. Frier is an investment adviser representative for Pathway and is also the sole owner, President, and Chief Compliance Officer of Pathway. Frier is registered with the State of Colorado and the CRD system with number 1029781.
14. On November 27, 2019, Pathway sent an application to register as an investment adviser in Missouri, along with accompanying fees and documentation. As part of this application, Pathway provided an application to register Frier as an investment adviser representative.
15. On December 3, 2019, the Securities Division issued a Summary Suspension Order related to Pathway's application.
16. Pathway's registration with the Securities and Exchange Commission as a federal-covered adviser terminated on January 18, 2019.
17. The Securities Division's review, and disclosures by Pathway related thereto, revealed that Pathway and Frier had transacted business in Missouri as an investment adviser and an investment adviser representative, respectively, without the benefit of registration for more than five Missouri clients from January 19, 2019, up to the time of the November 27, 2019, application.

II. CONCLUSIONS OF LAW

18. **THE COMMISSIONER CONCLUDES** that Respondent Pathway transacted business as an unregistered investment adviser in violation of Section 409.4-403(a).
19. **THE COMMISSIONER CONCLUDES** that Respondent Pathway employed an unregistered investment adviser representative in violation of Section 409.4-403(d).
20. **THE COMMISSIONER CONCLUDES** that Respondent Frier transacted business as an unregistered investment adviser representative in violation of Section 409.4-404(a).
21. **THE COMMISSIONER CONCLUDES** that the violations above are sufficient to issue an order in accordance with Section 409.6-604.
22. The Commissioner, after consideration of the stipulations set forth above and on consent of the Respondents and the Securities Division, finds and concludes that the Commissioner has jurisdiction over Respondents in this matter and that the following order is in the public interest, necessary for the protection of public investors, and consistent with the purposes intended by Chapter 409.

III. ORDER

NOW, THEREFORE, it is hereby Ordered that:

1. Respondent Pathway, its agents, employees and servants, and all other persons participating in the above-described violations with knowledge of this order are

permanently enjoined and restrained from violating Sections 409.4-403(a), 409.4-403(d), and 409.4-404(a);

2. Respondents are ordered to pay \$20,000, with joint and several liability, to the Missouri Secretary of State Investor Education and Protection Fund. Respondents shall pay \$11,000 within thirty (30) days of the date of this Order, with payment to be sent to the Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101, and shall be payable to the Missouri Secretary of State's Investor Education and Protection Fund. The Securities Division will send the money to the Missouri Secretary of State's Investor Education and Protection Fund;
3. Respondents' payment of the remaining \$9,000 is suspended, and provided Respondents comply with the terms of this Consent Order for two (2) years from the date of this Order, the suspended \$9,000 payment shall be fully and finally waived. This payment shall become immediately due upon the sooner of (1) Respondents' noncompliance with the terms of the Consent Order or (2) a finding, after notice and opportunity for a hearing, by the Commissioner, the Missouri Administrative Hearing Commission, or a court of competent jurisdiction that Respondents have violated the Missouri Securities Act. Such immediately due payment shall be in addition to all other penalties then available under the law; and
4. Respondents shall pay their own costs and attorneys' fees with respect to this matter.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY, MISSOURI THIS 18th DAY OF FEBRUARY, 2020.



JOHN R. ASHCROFT
SECRETARY OF STATE

A handwritten signature in blue ink, reading "David M. Minnick", is written over a horizontal line.

DAVID M. MINNICK
COMMISSIONER OF SECURITIES

Consented to by:

THE MISSOURI SECURITIES DIVISION

A handwritten signature in black ink, reading "Douglas M. Jacoby", is written over a horizontal line.

Douglas M. Jacoby
Enforcement Counsel

RESPONDENT

PATHWAY ADVISORY GROUP

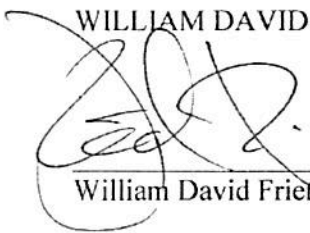
By: 

Name: William David Frier

Title: President CEO

RESPONDENT

WILLIAM DAVID FRIER



William David Frier