

FORM ADV

Uniform Application for Investment Adviser Registration

Part II - Page 1

Name of Investment Adviser: Pathfinder Financial Services, LLC				
Address: (Number and Street) 555 Paakiki Pl.	(City) Kailua	(State) HI	(Zip Code) 96734	Area Code: Telephone Number: (808) 728-4396

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any governmental authority.**

Table of Contents

<u>Item Number</u>	<u>Item</u>	<u>Page</u>
1	Advisory Services and Fees	2
2	Types of Clients	2
3	Types of Investments	3
4	Methods of Analysis, Sources of Information and Investment Strategies	3
5	Education and Business Standards	4
6	Education and Business Background	4
7	Other Business Activities	4
8	Other Financial Industry Activities or Affiliations	4
9	Participation or Interest in Client Transactions	5
10	Conditions for Managing Accounts	5
11	Review of Accounts	5
12	Investment or Brokerage Discretion	6
13	Additional Compensation	6
14	Balance Sheet	6
	Continuation Sheet	Schedule F
	Balance Sheet, if required.	Schedule G

(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

FORM ADV
Part II - Page 2

Applicant: Pathfinder Financial Services, LLC	SEC File Number: 801-N/A	Date: November 6, 2006
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1. **A. Advisory Services and Fees.** (check the applicable boxes) For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

Applicant:

<input checked="" type="checkbox"/>	(1) Provides investment supervisory services	<u>45%</u>
<input type="checkbox"/>	(2) Manages investment advisory accounts not involving investment supervisory services	<u> %</u>
<input checked="" type="checkbox"/>	(3) Furnishes investment advice through consultations not included in either service described above	<u>5%</u>
<input type="checkbox"/>	(4) Issues periodicals about securities by subscription	<u> %</u>
<input type="checkbox"/>	(5) Issues special reports about securities not included in any service described above	<u> %</u>
<input type="checkbox"/>	(6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities	<u> %</u>
<input checked="" type="checkbox"/>	(7) On more than an occasional basis, furnishes advice to clients on matters not involving securities	<u>50%</u>
<input type="checkbox"/>	(8) Provides a timing service	<u> %</u>
<input type="checkbox"/>	(9) Furnishes advice about securities in any manner not described above	<u> %</u>

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

B. Does applicant call any of the services it checked above financial planning or some similar term? Yes No

C. Applicant offers investment advisory services for: (check all that apply)

<input checked="" type="checkbox"/> (1) A percentage of assets under management	<input type="checkbox"/> (4) Subscription fees
<input type="checkbox"/> (2) Hourly charges	<input type="checkbox"/> (5) Commissions
<input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees)	<input type="checkbox"/> (6) Other

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. **Types of clients** - Applicant generally provides investment advice to: (check those that apply)

<input checked="" type="checkbox"/> A. Individuals	<input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations
<input type="checkbox"/> B. Banks or thrift institutions	<input type="checkbox"/> F. Corporations or business entities other than those listed above
<input type="checkbox"/> C. Investment companies	<input type="checkbox"/> G. Other (describe on Schedule F)
<input checked="" type="checkbox"/> D. Pension and profit sharing plans	

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

Applicant: Pathfinder Financial Service, LLC	SEC File Number: 801- N/A	Date: November 6, 2006
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3. Types of Investments. Applicant offers advice on the following: (check those that apply)

- | | |
|--|--|
| <p><input checked="" type="checkbox"/> A. Equity securities
 <input checked="" type="checkbox"/> (1) exchange-listed securities
 <input checked="" type="checkbox"/> (2) securities traded over-the-counter
 <input type="checkbox"/> (3) foreign issues</p> <p><input type="checkbox"/> B. Warrants</p> <p><input checked="" type="checkbox"/> C. Corporate debt securities
 (other than commercial paper)</p> <p><input type="checkbox"/> D. Commercial paper</p> <p><input checked="" type="checkbox"/> E. Certificates of deposit</p> <p><input checked="" type="checkbox"/> F. Municipal securities</p> <p>G. Investment company securities:</p> <p><input type="checkbox"/> (1) variable life insurance
 <input type="checkbox"/> (2) variable annuities
 <input checked="" type="checkbox"/> (3) mutual fund shares</p> | <p><input checked="" type="checkbox"/> H. United States government securities</p> <p>I. Options contracts on:</p> <p><input checked="" type="checkbox"/> (1) securities
 <input type="checkbox"/> (2) commodities</p> <p>J. Futures contracts on:</p> <p><input type="checkbox"/> (1) tangibles
 <input type="checkbox"/> (2) intangibles</p> <p>K. Interests in partnerships investing in:</p> <p><input checked="" type="checkbox"/> (1) real estate
 <input checked="" type="checkbox"/> (2) oil and gas interests
 <input type="checkbox"/> (3) other (explain on Schedule F)</p> <p><input type="checkbox"/> L. Other (explain on Schedule F)</p> |
|--|--|

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant's security analysis methods include: (check those that apply)

- | | |
|---|--|
| (1) <input type="checkbox"/> Charting | (4) <input type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input type="checkbox"/> Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines | (5) <input type="checkbox"/> Timing services |
| (2) <input type="checkbox"/> Inspections of corporate activities | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input type="checkbox"/> Company press releases |
| (4) <input type="checkbox"/> Corporate rating services | (8) <input type="checkbox"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|--|--|
| (1) <input checked="" type="checkbox"/> Long term purchases
(securities held at least a year) | (5) <input type="checkbox"/> Margin transactions |
| (2) <input type="checkbox"/> Short term purchases
(securities sold within a year) | (6) <input type="checkbox"/> Option writing, including covered options,
uncovered options or spreading strategies |
| (3) <input type="checkbox"/> Trading (securities sold within 30 days) | (7) <input type="checkbox"/> Other (explain on Schedule F) |
| (4) <input type="checkbox"/> Short sales | |

FORM ADV

Part II - Page 4

Applicant: Pathfinder Financial Services, LLC	SEC File Number: 801-N/A	Date: November 6, 2006
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5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? Yes No

(If yes, describe these standards on Schedule F.)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- year of birth
- formal education after high school
- business background for the preceding five years

7. Other Business Activities. (check those that apply)

- A. Applicant is actively engaged in a business other than giving investment advice.
- B. Applicant sells products or services other than investment advice to clients.
- C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- | | |
|--|--|
| <input type="checkbox"/> (1) broker-dealer | <input type="checkbox"/> (7) accounting firm |
| <input type="checkbox"/> (2) investment company | <input type="checkbox"/> (8) law firm |
| <input type="checkbox"/> (3) other investment adviser | <input type="checkbox"/> (9) insurance company or agency |
| <input type="checkbox"/> (4) financial planning firm | <input type="checkbox"/> (10) pension consultant |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer |
| <input type="checkbox"/> (6) banking or thrift institution | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?..... Yes No

(If yes, describe on Schedule F the partnerships and what they invest in.)

FORM ADV

Part II - Page 5

Applicant: Pathfinder Financial Services, LLC	SEC File Number: 801- N/A	Date: November 6, 2006
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9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- A. As principal, buys securities for itself from or sells securities it owns to any client.
- B. As broker or agent effects securities transactions for compensation for any client.
- C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

10. Conditions for Managing Accounts. Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account?

Yes No

(If yes, describe on Schedule F.)

11. Review of Accounts. If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

Pathfinder Financial Services conducts quarterly account reviews to determine if client portfolios are significantly out of tolerance as compared to the desired asset allocation, which is recorded in the Investment Policy Statement for each client. In addition, PFS may review client portfolios more frequently depending on the market conditions. If a client's portfolio is significantly out of tolerance, PFS may recommend reallocating the portfolio to the asset allocation that is specified in the Investment Policy Statement. The decision to rebalance is based on many factors, including the client's cash flow needs, the degree to which the account is out of tolerance, tax consequences, and trading expenses. Accounts are reviewed by David Jacobs, the Principal of Pathfinder Financial Services, LLC.

B. Describe below the nature and frequency of regular reports to clients on their accounts.

Custodian (TD Ameritrade) provides monthly or quarterly (depending on account type) reports which include

- listing of assets and their current valuations
- listing of all transactions that occurred during the period
- listing of all management fees deducted from accounts

Performance and realized gain reports are provided on request.

FORM ADV

Part II - Page 6

Applicant: Pathfinder Financial Services, LLC	SEC File Number: 801-N/A	Date: November 6, 2006
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12. Investment or Brokerage Discretion.

- A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:
- | | | |
|---|------------------------------|--|
| (1) securities to be bought or sold? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| (2) amount of the securities to be bought or sold ? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| (3) broker or dealer to be used ? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| (4) commission rates paid? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |

- B. Does applicant or a related person suggest brokers to clients? Yes No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? Yes No
- B. directly or indirectly compensates any person for client referrals? Yes No

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities; or
 - requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- Has applicant provided a Schedule G balance sheet? Yes No

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant: Pathfinder Financial Services, LLC	SEC File Number: 801-N/A	Date: November 6, 2006
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Pathfinder Financial Services, LLC	IRS Empl. Ident. No.: 575-80-0546
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Item of Form (identify)	Answer																																				
<p>Page 2 Question 1 Section D</p>	<p style="text-align: center;">Financial Planning & Asset Management</p> <p><i>Services Provided</i></p> <p>Discovery and Planning Process</p> <ul style="list-style-type: none"> • Discover and help to prioritize Client’s short and long-term goals and aspirations. • Identify life transitions that Client is and expects to be experiencing. • Gather and organize Client’s data and documents. • Analyze Client’s financial condition, challenges and opportunities as they relate to the goals of the Client. • Develop an investment strategy that attempts to balance Client’s goals and tolerance for volatility. • Help Client with the financial implications of life transitions. • Provide recommendations and alternatives to help Client achieve stated goals. • Help to implement financial decisions. <p>Ongoing Financial Advice and Service</p> <ul style="list-style-type: none"> • Continue to help prioritize and implement Client’s goals and aspirations. • Communicate regularly with Client to review goals and progress. • Monitor life transitions that Client is and expects to be experiencing. • Ongoing tax planning. • Strategize and coordinate with other Advisors (accountants, attorneys, insurance agents, etc.). <p>Asset Management Services (Under Advisor’s Management)</p> <ul style="list-style-type: none"> • Develop written Investment Policy Statement. • Investment selection and execution of trades on a nondiscretionary basis. • Re-balance the portfolio when appropriate. • Re-allocate the portfolio due to changes in the economy or the Client’s objectives. • Tax loss harvesting (where applicable) <p>Fees</p> <p>Client’s fee is a flat quarterly retainer based on the following schedule (all fees negotiable):</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>NET WORTH</u></th> <th style="text-align: center;"><u>QUARTERLY</u></th> <th style="text-align: center;"><u>ANNUAL</u></th> </tr> </thead> <tbody> <tr> <td>Under \$1,000,000</td> <td style="text-align: center;">\$1,500</td> <td style="text-align: center;">\$6,000</td> </tr> <tr> <td>\$1,000,001 to \$2,000,000</td> <td style="text-align: center;">\$2,250</td> <td style="text-align: center;">\$9,000</td> </tr> <tr> <td>\$2,000,001 to \$3,000,000</td> <td style="text-align: center;">\$3,000</td> <td style="text-align: center;">\$12,000</td> </tr> <tr> <td>\$3,000,001 to \$4,000,000</td> <td style="text-align: center;">\$3,500</td> <td style="text-align: center;">\$14,000</td> </tr> <tr> <td>\$4,000,001 to \$5,000,000</td> <td style="text-align: center;">\$4,000</td> <td style="text-align: center;">\$16,000</td> </tr> <tr> <td>\$5,000,001 to \$6,000,000</td> <td style="text-align: center;">\$4,500</td> <td style="text-align: center;">\$18,000</td> </tr> <tr> <td>\$6,000,001 to \$7,000,000</td> <td style="text-align: center;">\$5,000</td> <td style="text-align: center;">\$20,000</td> </tr> <tr> <td>\$7,000,001 to \$8,000,000</td> <td style="text-align: center;">\$5,500</td> <td style="text-align: center;">\$22,000</td> </tr> <tr> <td>\$8,000,001 to \$9,000,000</td> <td style="text-align: center;">\$6,000</td> <td style="text-align: center;">\$24,000</td> </tr> <tr> <td>\$9,000,001 to \$10,000,000</td> <td style="text-align: center;">\$6,500</td> <td style="text-align: center;">\$26,000</td> </tr> <tr> <td>Over \$10,000,000</td> <td></td> <td style="text-align: center;">Negotiable</td> </tr> </tbody> </table>	<u>NET WORTH</u>	<u>QUARTERLY</u>	<u>ANNUAL</u>	Under \$1,000,000	\$1,500	\$6,000	\$1,000,001 to \$2,000,000	\$2,250	\$9,000	\$2,000,001 to \$3,000,000	\$3,000	\$12,000	\$3,000,001 to \$4,000,000	\$3,500	\$14,000	\$4,000,001 to \$5,000,000	\$4,000	\$16,000	\$5,000,001 to \$6,000,000	\$4,500	\$18,000	\$6,000,001 to \$7,000,000	\$5,000	\$20,000	\$7,000,001 to \$8,000,000	\$5,500	\$22,000	\$8,000,001 to \$9,000,000	\$6,000	\$24,000	\$9,000,001 to \$10,000,000	\$6,500	\$26,000	Over \$10,000,000		Negotiable
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**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant: Pathfinder Financial Services, LLC	SEC File Number: 801-N/A	Date: November 6, 2006
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Pathfinder Financial Services, LLC	IRS Empl. Ident. No.: 575-80-0546
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Item of Form (identify)	Answer												
<p>Page 2 Question 1 Section D (cont)</p>	<p>Net Worth excludes personal property and primary residence. These fees are based on the net worth at the time of the engagement and will be adjusted at the end of three years and every three years thereafter. This quarterly retainer is cancelable anytime without restriction.</p> <p>The fee is payable in arrears on a quarterly basis. For any calendar quarter in which services are provided for less than the full quarter, fees will be prorated based on the percentage of the quarter services were provided. All retainer fees shall be deducted directly from managed accounts or payable within thirty days of invoice receipt. This service is cancelable at any time without restriction.</p> <p>Asset Management (For clients not on a financial planning retainer)</p> <p>Services Provided</p> <p>After assessing Client's goals, objectives, time horizon and risk tolerance, Advisor recommends a diversified portfolio. Since Advisor subscribes to academic research that indicates that the majority of portfolio returns is a result of the asset allocation decision and not market-timing or individual security selection, Advisor devotes the majority of its time in determining the percentage allocation among domestic stocks and bonds, international stocks and bonds, cash, etc. The percentage allocations are designed with each individual Client's goals and risk tolerance in mind. Advisor's services include the following:</p> <ul style="list-style-type: none"> • Develop written Investment Policy Statement. • Investment selection and execution of trades on a nondiscretionary basis. • Re-balance the portfolio when appropriate. • Re-allocate the portfolio due to changes in the economy or the Client's objectives. • Tax loss harvesting (where applicable) <p>Fees</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>ASSETS UNDER MANAGEMENT</u></th> <th style="text-align: center;"><u>QUARTERLY</u></th> <th style="text-align: center;"><u>ANNUAL</u></th> </tr> </thead> <tbody> <tr> <td>Under \$500,000</td> <td style="text-align: center;">0.15%</td> <td style="text-align: center;">0.60%</td> </tr> <tr> <td>\$500,001 to \$1,000,000</td> <td style="text-align: center;">0.10%</td> <td style="text-align: center;">0.40%</td> </tr> <tr> <td>Over \$1,000,001</td> <td style="text-align: center;">0.06%</td> <td style="text-align: center;">0.24%</td> </tr> </tbody> </table> <p>The asset management fee is due quarterly in arrears on the first business day of each calendar quarter based on the market value of the Client's accounts on the last business day of the previous quarter. For any calendar quarter in which services are provided for less than the full quarter, fees will be prorated based on the percentage of the quarter services were provided. This fee does not include transaction costs charged by the custodian. All fees shall be deducted directly from managed accounts or payable within thirty days of invoice receipt. This service is cancelable at any time without restriction.</p>	<u>ASSETS UNDER MANAGEMENT</u>	<u>QUARTERLY</u>	<u>ANNUAL</u>	Under \$500,000	0.15%	0.60%	\$500,001 to \$1,000,000	0.10%	0.40%	Over \$1,000,001	0.06%	0.24%
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