

Firm Brochure
(Part 2A of Form ADV)

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This brochure provides information about the qualifications and business practices of Pakola, Steichen & Company LLP. If you have any questions about the contents of this brochure, please contact our office at 952-851-1385. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Pakola, Steichen & Company LLP is also available on the SEC's website at www.adviserinfo.sec.gov/. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 122246.

Material Changes

The U.S. Securities and Exchange Commission adopted "Amendments to Form ADV" in July, 2010. This Firm Brochure is our disclosure document prepared according to the SEC's requirements and rules.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Firm Brochures within 120 days of the close of our business' fiscal year, ending December 31. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

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ADVISORY BUSINESS

Pakola, Steichen & Company LLP began conducting business in June 1995 with its principal place of business located in Minnesota. The firm is a SEC registered investment adviser (RIA). The RIA is a partnership owned by Howard Edwin Pakola and Daniel Edward Steichen. SEC registration in and of itself does not imply a certain level of skill or training. Experience, education and certifications can be found in the Supplement section of this Brochure.

Pakola, Steichen & Company LLP offers the following advisory services to our clients:

A. INDIVIDUAL ADVISORY MANAGEMENT

Our firm provides asset management of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on the client's particular circumstances are established, we develop the client's personal investment policy. We create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we may also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives. (i.e., Income with Capital Preservation, Income with Moderate Growth, Growth with Income, Growth, Aggressive Growth), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Once the client's portfolio has been established, we review the portfolio quarterly and, if necessary, rebalance the portfolio based on the client's individual needs.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Corporate debt securities
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States governmental securities
- Interests in Real Estate Investment Trusts (REITs)

Because some types of investments involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

AMOUNT OF MANAGED ASSETS

As of 3/10/2015, we were actively managing \$5,844,000 of clients' assets on a discretionary basis.

FEES AND COMPENSATION

A. ADVISORY MANAGEMENT SERVICES FEES

Our annual fees for Advisory Management Services are based upon a percentage of assets under management and generally range from 0.50% to 1.50%. Fees are based on the account's asset value as of the last business day of the prior calendar quarter and are prorated for accounts opened during the quarter. Fees are paid quarterly in advance. Fees are due on the first day of the calendar quarter, and may be billed directly to the client or deducted from the advisory account.

Pakola, Steichen & Company LLP retains the discretion to negotiate fees on a client-by-client basis. Client facts, circumstances and needs will be considered in determining the fee. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee will be identified in the contract between the adviser and each client.

B. GENERAL INFORMATION ABOUT FEES

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

Mutual Fund Fees: All fees paid to Pakola, Steichen & Company LLP for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Wrap Fee Programs and Separately Managed Account Fees: Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s).

ERISA Accounts: Pakola, Steichen & Company LLP is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"). As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain

forms of compensation. To avoid engaging in prohibited transactions, Pakola, Steichen & Company LLP may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset Pakola, Steichen & Company LLP's advisory fees.

Advisory Fees in General: Clients should note that similar advisory services may be available from other investment advisers for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

Performance-Based Fees and Side-By-Side Management

Pakola, Steichen & Company LLP does not manage accounts that charge performance based fees and does not manage accounts side-by-side with accounts that have performance based fees. Therefore, there is no conflict of interest to report.

TYPES OF CLIENTS

Pakola, Steichen & Company LLP provides advisory services to the following types of clients:

- Individuals
- High net worth individuals

METHODS OF ANALYSIS, INVESTMENT STRATEGIES and RISK OF LOSS

A. METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and managing client assets:

Charting. In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical Analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Asset Allocation. Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, Pakola, Steichen & Company LLP

industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Mutual Fund and/or ETF Analysis. We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

B. INVESTMENT STRATEGIES

We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons.

Long-term purchases. We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases. When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A risk in a short-term purchase strategy is that when selling a security with a holding period of less than one year, it may generate a short-term capital gains tax.

Margin transactions. On occasion we will purchase stocks for a client's portfolio with money borrowed from the client's brokerage account. This allows the client to purchase more stock than he/she would be able to with his/her available cash, and allows us to purchase stock without selling other holdings.

A risk with margin transactions is if the value of the account declines, there may be a margin call requiring the client to add more cash or securities to the account, or sell the existing securities at a reduced value than would otherwise be desired.

DISCIPLINARY INFORMATION

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

OTHER FINANCIAL INDUSTRY ACTIVITIES and AFFILIATIONS

Howard Pakola and Daniel Steichen, partners of Pakola, Steichen & Company LLP, are separately licensed as registered representatives of LPL Financial, an unaffiliated broker-dealer. These individuals, in their separate capacity, can effect securities transactions for which they will receive separate, yet customary compensation.

Pakola, Steichen & Company LLP endeavors at all times to put the interests of its clients first as part of our fiduciary duty as a registered investment adviser. We take the following steps to address possible conflicts of interest:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
 - we disclose to clients that they are not obligated to purchase recommended investment products;
 - we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
 - our firm conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
 - we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
 - we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
 - we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.
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CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND PERSONAL TRADING

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by calling our office at 952-851-1385.

Pakola, Steichen & Company LLP and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of securities transactions reports as well as initial and annual securities holdings reports. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial

public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Pakola, Steichen & Company LLP's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

Pakola, Steichen & Company LLP and individuals associated with our firm are prohibited from engaging in principal transactions and agency cross transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related persons may have an interest or position in a certain security which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction being implemented for an advisory account, thereby preventing an employee from benefiting from transactions placed on behalf of advisory accounts.

Compliance with the Code of Ethics

We ensure that our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of possible conflicts of interest. We have established the following policies and procedures for implementing our firm's Code of Ethics:

- No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
- No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
- It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
- Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
- We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations. These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his designee.
- We have established procedures for the maintenance of all required books and records.
- All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
- We have established policies requiring the reporting of Code of Ethics violations to our senior management.
- Any individual who violates any of the above restrictions may be subject to termination of employment with our firm.

BROKERAGE PRACTICES

Our firm does not have the discretionary authority to determine the broker-dealer to be used or the

commission rates to be paid. Our clients must use LPL Financial as the broker-dealer.

Pakola, Steichen & Company LLP requires that clients direct us to place trades through LPL Financial (broker-dealer). Our firm has evaluated LPL Financial and believes that it will provide our clients with a blend of execution services, commission costs and professionalism that will assist our firm to meet our fiduciary obligations to clients.

In directing the use of LPL Financial, it should be understood that Pakola, Steichen & Company LLP will not have authority to negotiate commissions or to necessarily obtain volume discounts, and best execution may not be achieved.

Clients should note, while Pakola, Steichen & Company LLP has a reasonable belief that LPL Financial is able to obtain best execution and competitive prices, our firm will not be independently seeking best execution price capability through other brokers.

Pakola, Steichen & Company LLP does not aggregate our client transactions.

REVIEW OF ACCOUNTS

A. ADVISORY MANAGEMENT SERVICES

While the underlying securities within Advisory Management Services accounts are continually monitored, these accounts are reviewed quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

Advisory Management Services clients receive monthly statements and confirmations of transactions from LPL Financial, the broker-dealer. In addition, LPL Financial provides quarterly reports summarizing account performance, balances and holdings.

Howard Pakola and Daniel Steichen conduct the Advisory account reviews.

CLIENT REFERRALS AND OTHER COMPENSATION

It is Pakola, Steichen & Company LLP's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

Additionally, it is the firm's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

CUSTODY

Pakola, Steichen & Company LLP does not have actual or constructive custody of client accounts.

INVESTMENT DISCRETION

Clients may hire us to provide discretionary asset management services, in which case we can place trades in a client's account without contacting the client prior to each trade to obtain the client's permission. Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

VOTING CLIENT SECURITIES

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. We may provide clients with consulting assistance regarding proxy issues if they contact us with questions.

FINANCIAL INFORMATION

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Pakola, Steichen & Company LLP has never been the subject of a bankruptcy petition.