

**Firm Brochure**  
(Part 2A of Form ADV)

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This brochure provides information about the qualifications and business practices of PAMPEL & ASSOCIATES, INC. If you have any questions about the contents of this brochure, please contact us at: 574-583-7333 OR 800-847-3512, or by email at: [lwpampel@pampel.com](mailto:lwpampel@pampel.com). 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.

PAMPEL & ASSOCIATES, INC. is registered with the Securities and Exchange Commission ("SEC") as an investment adviser. Registration of a firm as an investment adviser does not imply any certain level of skill or training.

Additional information about PAMPEL & ASSOCIATES, INC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The date of this brochure is June 13, 2012.

## Material Changes

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### Annual Update

This brochure will be updated at least annually. At the time of each annual update, we will in this section of the updated brochure identify and discuss material changes since the last annual update and will specify the date of the last annual update.

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### Material Changes since the Last Update

Our last update of our brochure was dated January 8, 2009, and was prepared on a pre-printed form. The SEC now requires that advisers provide to clients and prospective clients a firm brochure in a narrative “plain English” format that follows a uniform organizational structure and includes new and different disclosures than the prior brochure. While our business has not changed in any material way since the date of our last updated brochure dated January 8, 2009, this brochure does include additional information not required to be included in prior brochures, which we encourage you to review.

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## Advisory Business

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### Firm Description

PAMPEL & ASSOCIATES, INC. was founded in 1992. When we use the first person pronouns in his brochure like “we,” “us,” and “our” in this brochure, we will be referring to PAMPEL & ASSOCIATES, INC.

We provide personalized confidential financial planning and investment management to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, small businesses. We also manage, as general partner, The Mill Creek Fund LP, which is a private fund of funds in which some of our clients have invested. Advice is provided through consultation with the client (and, where appropriate, with the client’s accounting, tax, legal or other advisors), and may include:

- determination of financial objectives,
- identification of financial problems,
- cash flow management,
- insurance review,
- investment management,
- education funding,
- retirement planning,
- estate planning, and
- business management.

We are a fee-only financial planning and investment management firm. We do not receive commissions for the purchasing or selling of stocks, bonds, mutual funds, or limited partnerships. No finder’s fees are accepted. However, the firm (or its associated persons) may receive commissions for the selling of annuities and insurance.

Generally, our clients authorize us to determine, without obtaining the client’s consent, the securities or other assets to be bought or sold in the client’s account(s), the amount of the securities or other assets to be bought or sold, the broker or dealer to be used and the commission rates to be paid. We do not act as a custodian of client assets held in separate managed accounts. The client always maintains asset control. We place trades for clients under a limited power of attorney.

The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which financial planning, investment management and business management or any combination may be beneficial to the client.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Clients are responsible for engaging appropriate professionals at their separate expense to advise them concerning any tax, accounting, or legal issues that might be associated with any advice that we may give or propose to give to our clients; we are not lawyers or accountants and are not qualified to give tax, accounting or legal advice. Conflicts of interest that we may have with any such professionals that would be material to a client will be disclosed to the client in the unlikely event they should occur.

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#### Principal Owner

Our principal owner is Larry W. Pampel.

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#### Types of Advisory Services

Our services include:

- investment supervisory services, also known as asset management services;
- investment advice concerning securities or other investment products through consultations; and
- advice to clients on matters not involving securities or investment products, such as business management and personal financial planning.

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#### Tailored Relationships

The goals and objectives for each client are documented. Clients may impose restrictions on investing in certain securities or types of securities.

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#### Types of Agreements

The following descriptions of typical agreements illustrate our typical client relationships.

##### 1. Financial Planning Agreement

A financial plan is designed to help the client with all aspects of financial planning without ongoing investment management after the financial plan is completed.

The financial plan may include, but is not limited to:

- a net worth statement;
- a cash flow statement;

- a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations;
- in consultation with your tax advisor(s), strategic tax planning;
- a review of retirement accounts and plans including recommendations;
- in consultation with your insurance advisor(s), a review of insurance policies and recommendations for changes, if necessary;
- one or more retirement scenarios;
- in consultation with your legal, tax and insurance advisor(s), estate planning review and recommendations; and
- education planning with funding recommendations.

Investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client.

The fee for a financial plan is predicated upon the facts known at the start of the engagement. The minimum fee is \$2,300 and increases according to the complexity of the plan up to \$7,500. Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments.

In the event that the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

After delivery of a financial plan, future face-to-face meetings may be scheduled as necessary. Follow-on implementation work is billed separately at a pre-negotiated fee.

## 2. Investment Advisory Agreement

An Investment Advisory Agreement covers any asset management services we provide to a client. The annual fee for an *Investment Advisory Agreement* is determined as a percentage of the value of the client's assets under management and is negotiable. See "FEES AND COMPENSATION" below.

## 3. Hourly Planning and Consulting Engagements

We provide hourly planning and consulting services for clients who need advice on a limited scope of work. The hourly rate for limited scope engagements begins at a minimum of \$200 per hour depending on the scope of advice. The amount is agreed upon prior to the start of service.

## 4. Business Management

We provide business management consulting consisting of the review of management principles, staffing and business efficiency systems which could



include or exclude financial advisory services. Business management consulting may be offered under the following services:

*Comprehensive Business Management Consulting:* We will collect the pertinent data, conduct personal interviews with the Client, and present advice and specific recommendations. Implementation is at the discretion of the Client. This is an 18 month consulting agreement.

*Specific Business Management:* We will collect the pertinent data, conduct personal interviews with the Client, and present advice and specific recommendations to the Client. Implementation is at the discretion of the Client.

*Hourly Business Management Consultation:* We will provide business management consulting services on an hourly basis.

*Alumni Business Management Consulting:* We will provide on-going quarterly business management consulting at the completion of a Client's Comprehensive Business Management Consulting program.

Comprehensive Business Management consulting services are offered on a fixed fee basis, which starts at \$26,500 and ranges up to \$35,000. The final fee shall be directly dependent upon the facts and circumstances of the client's business and personal situation and the complexity of the consulting service requested. A total fee will be determined at the start of the consulting relationship. If the Client chooses to proceed, the fee is due within the initial 12 months of the signing of this Agreement. Adviser's business management consulting fees are negotiable and arrangements with any Client may differ from those described above. If a client elects to engage hourly business management consulting, the fees begin at \$200 per hour. Fees are determined and agreed upon based on complexity of client needs. Hourly fees are billed monthly as incurred. A Client may elect to enroll in the Alumni Business Management Consulting program following their Comprehensive Business Management program. The Alumni program duration is at the discretion of the client. The fee is \$405 per quarter with billing sent on the first day of each quarter.

Refresher business management training for new employees of previous comprehensive program clients may have reduced or waived fees for new management consulting services when assets under management by PAMPEL & ASSOCIATES, INC exceed \$1,000,000.

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#### Individual Account Asset Management

We invest client assets held in individual accounts primarily in fixed income, securities, no-load or low-load mutual funds and exchange-traded funds, usually through discount brokers or fund companies. Fund companies charge each fund shareholder an investment management fee that is

disclosed in the fund prospectus. Discount brokerages may charge a transaction fee for the purchase of some funds.

Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond trades. We not receive any compensation, in any form, from fund companies.

Investments may also include:

- equities (stocks),
- warrants,
- corporate debt securities,
- commercial paper,
- certificates of deposit,
- municipal securities,
- investment company securities (and mutual funds shares),
- U. S. government securities,
- options contracts, and
- interests in partnerships.

Initial public offerings (IPOs) are generally not available through PAMPEL & ASSOCIATES, INC.

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#### The Mill Creek Fund, LP (Fund of Funds) Management

PAMPEL & ASSOCIATES, INC, effective September 30, 1997, became the successor general partner of The Mill Creek Fund, LP; a Delaware limited partnership ("Mill Creek"). Mill Creek is a "fund of funds" that invests in several hedge funds. Mill Creek has an asset-based fee of 1 ½% that is paid to us as its general partner. We will not charge clients who invest in Mill Creek an additional management fee for those assets that are placed in Mill Creek.

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#### Insurance Services

PAMPEL & ASSOCIATES, INC provides research into and the sales of health, life, long-term care insurance and fixed annuities. Remuneration to PAMPEL & ASSOCIATES, INC is provided by the selling insurance company.

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#### Assets under Management

As of March 31, 2012, we managed approximately \$48,545,462 in assets. One hundred percent of this amount was managed on a discretionary basis.

In computing these amounts, we used the methodology prescribed by the SEC for answering the similar question in Part 1A of our Form ADV.

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## Client Newsletters

PAMPEL & ASSOCIATES, INC provides newsletters to advisory clients. These newsletters are provided for purposes of education, information and entertainment. These newsletters are available on PAMPEL & ASSOCIATES, INC's website and are free of charge.

## Fees and Compensation

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### General

We base our investment management fees on a percentage of the value of assets under management.

For other services, we are compensated by hourly charges and fixed fees, although we may also be compensated by commissions on the sale of insurance products.

Clients are hereby notified that lower fees for comparable services may be available from other sources.

Financial plans are priced according to the degree of complexity associated with the client's situation.

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### Investment Management Fee Schedule

Fees for investment management services are based on a percentage of the value of the investable assets allocated to us for management according to the following annual rate fee schedule (payable quarterly):

- 0 to \$125,000.00 1.25%
- \$125,000.01 - \$750,000. 1.00%
- \$750,000.01 and above .75%

The minimum annual fee is \$20. Current client relationships may exist where the fees are higher or lower than the fee schedule above.

In our sole discretion, we may waive our minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., type of assets, related accounts, negotiations with clients, etc.).

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## Billing

Investment management fees are billed quarterly in arrears. Fees are computed on the last day of each quarter by utilizing one quarter of the client's annual fee rate and/ or fee break points. Billings are assessed on account balances under management on March 31, June 30, September 30 and December 31. Payment in full is expected upon invoice presentation. Fees are generally deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Fees for financial plans are billed 50% in advance, with the balance due upon delivery of the financial plan.

Management billing is a per hour or set program fee. For hourly billing services the client is billed monthly for hours incurred within the given month. Set programs fees consist of the agreed upon fee, an agreed upon down payment with the balance amortized monthly not to exceed 12 months.

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## Other Fees and Costs

In addition to our fees (described above), clients will also incur in the course of our investment management of their account(s):

- Costs associated with securities transactions, such as brokerage commissions, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees and other fees and taxes on brokerage accounts and securities transactions; and
- Custodial fees charged by brokers or other third for custody services.

Client accounts that purchase securities issued by investment companies, including open-end and closed-end mutual funds, exchange-traded funds ("ETFs") and money market funds, may incur sales charges or service fees to third parties in connection with such purchases, including deferred sales charges.

Further, mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These expense ratios are disclosed in the applicable fund's prospectus.

These third party fees and costs are in addition to our fees. We do not receive any portion of these fees and costs. Therefore, if and to the extent a client account is invested in investment companies, the client may pay two levels of advisory fees, both directly to us and indirectly through the management fees assessed by the investment companies.

See the discussion under “BROKERAGE PRACTICES” below for information concerning the factors that we consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

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#### The Mill Creek Fund, LP (Fund of Funds) Management

Mill Creek has an asset-based fee of 1 ½% that is paid to us as its general partner. We will not charge clients who invest in Mill Creek an additional management fee for those assets that are placed in Mill Creek.

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#### Past Due Accounts and Termination of Agreement

We reserve the right to stop work on any account that is overdue. In addition, we reserve the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in our judgment, to providing proper financial advice.

A client may terminate any of the aforementioned agreements at any time by notifying us in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, we will refund any unearned portion of the advance payment.

We may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, we will refund any unearned portion of the advance payment.

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#### Commissions on Insurance Product Sales

We, and our licensed agent Eric J. Pampel, receive commissions on the sale of fixed annuities and other insurance products that we may sell to clients in connection with our advisory services. Clients always have the option to purchase annuities and other insurance and investment products that we may recommend through other brokers or agents that are not affiliated with us. Securities regulations require that we advise you that the receipt of commissions on the sale of insurance products may give us an incentive to recommend these products based on the compensation received, rather than on the client's needs. We believe, however, that our ability to provide these insurance products to clients assists us in delivering the best insurance product value for the cost, because (once a need for insurance is identified by the client or the client's other advisors, or by us) we are in a position to review the market for the relevant insurance product on behalf of the client with a view to determining which provider and which insurance product best suits the client's needs.

## Performance-Based Fees

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### No Sharing of Capital Gains or Capital Appreciation

Our fees are not based on a share of the client's capital gains or capital appreciation of managed securities.

We do not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

## Types of Clients

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### Description

We generally provide investment advice to individuals, pension and profit sharing plans, trusts, estates, or charitable organizations, corporations or business entities. We are also the general partner of The Mill Creek Fund, L.P., a private "fund of funds" that is exempt from registration as an investment company under the investment Company Act of 1940, in which certain clients of Pampel and Associates have become limited partners.

Client relationships vary in scope and length of service.

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### Account Minimums

The minimum account size is \$125,000 of assets under management, which equates to an annual fee for asset management services of \$1,562 (disregarding subsequent appreciation or depreciation in account value) under our standard fee schedule.

When an account falls below \$1,600 in value, the minimum annual fee of \$20 is charged.

We have the discretion to waive the account minimum. Other exceptions will apply to our employees and their relatives, or relatives of existing clients.

Clients with assets above the minimum account size may pay a lower percentage rate on their annual fees than the fees paid by clients with less than minimum assets under management.

# Methods of Analysis, Investment Strategies and Risk of Loss

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## Methods of Analysis

Security analysis methods may include fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information include financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that we may use include Morningstar Principia mutual fund information, Morningstar Principia stock information, Charles Schwab & Company's "SchwabLink" service, and the World Wide Web.

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## Investment Strategies

The primary investment strategy used on client accounts is a growth through income approach. This means that we use a ladder fixed income strategy and dividend yielding equities as the core investments. Pampel and Associates will then add growth oriented securities to assist the portfolio in being "respons-able" (the ability to change with market conditions). Our portfolios are diversified to control the risk associated with traditional markets.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. Strategies may include long-term purchases, short-term purchases, short sales, margin transactions, and covered option writing. The client may change these objectives at any time. Each client executes a Letter of Transmittal (LOT) that documents their objectives and their desired investment strategy.

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## Risk of Loss

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

For a discussion of risks of loss presented by investments in The Mill Creek Fund, please see the current Private Placement Memorandum of that entity.

Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on

existing bonds become less attractive, causing their market values to decline.

- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions affecting financial markets. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not. We may not be able to sell stocks or other securities at an optimal time or price.
- **Leverage Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **Security Selection Risk:** The stocks or other securities that we select for client accounts may decline in value or not increase in value when the stock market in general is rising.

Corporate debt securities rated as investment grade by one or more of the major credit rating agencies (Standard & Poor's, Moody's Investor Service and Fitch Ratings) generally carry less risk of default than do securities that are unrated or carry ratings below investment grade, but more risk of default



than U.S. Government/Agency securities. The trading market for investment grade corporate debt securities is typically an “over-the-counter” market where the individual market-making brokers’ “bids” and “offers” are not updated and displayed on a continuous basis. The market for trading investment grade corporate debt securities has experienced periods of “illiquidity,” which may make it difficult for us to effect transactions quickly and/or at the recent quoted price levels. In addition, “non-block” or “odd lot” positions may be extremely difficult, if not impossible, to sell quickly and/or close to recent quoted “block” price levels.

Client accounts range from asset allocations of 100% equities/0% fixed income to 0% equities/100% fixed income. Client accounts with similar asset allocations will generally hold the same or similar securities in the same or similar proportions.

## **Disciplinary Information**

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### Legal and Disciplinary

This Item would require that we disclose information if there existed any legal or disciplinary events that would be material to your evaluation of our advisory business or the integrity of our management. There are no such legal or disciplinary events.

## **Other Financial Industry Activities and Affiliations**

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### Financial Industry Activities

PAMPEL & ASSOCIATES, INC. is the general partner of the Mill Creek Fund, L.P. (the “Fund”), a private ‘fund of funds’ that is exempt from registration as an investment company under the Investment Company Act of 1940, in which certain clients of Pampel and Associates have become limited partners. Investors to whom the Fund is offered will receive a private placement memorandum and other offering documents. The fees charged by the Fund are separate and apart from our advisory fees. You should refer to the offering documents for a complete description of the fees, investment objectives, risks and other relevant information associated with investing in the Fund. Persons affiliated with our firm may have made an investment in the Fund and may have an incentive to recommend the Fund over other investments.

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Persons providing investment advice on behalf of PAMPEL & ASSOCIATES, INC. may be licensed as independent insurance agents and will only offer insurance products in jurisdictions where appropriately licensed. These

persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to PAMPEL & ASSOCIATES, INC.'s advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of PAMPEL & ASSOCIATES, INC. who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with PAMPEL & ASSOCIATES, INC.

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

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### **Code of Ethics**

The owners and employees of PAMPEL & ASSOCIATES, INC have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The Code is based upon the principle that we and our owners and employees have a fiduciary duty to place the interests of our clients and limited partners of The Mill Creek Fund above their own. The Code is designed to assure that the personal securities transactions, activities and interests of our owners and employees will not interfere with (i) making decisions in the best interest of clients and/or The Mill Creek Fund and (ii) implementing such decisions while, at the same time, allowing owners and employees to invest for their own accounts. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

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### **Participation or Interest in Client Transactions**

We may advise its clients of the opportunity to purchase limited partnership interests of The Mill Creek Fund. This may create a conflict of interest, as we have a financial interest in that fund as its General Partner. Certain of our owners, employees and their families hold significant investments in The Mill Creek Fund.

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### **Personal Trading**

We and our employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. In this connection, employees must comply with the provisions of our Compliance Manual. Our Chief Compliance Officer is Larry W. Pampel. He reviews all employee trades each quarter. His trades are reviewed by Eric J.

Pampel. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment.

## Brokerage Practices

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### General

In general, there are no limitations on our authority to effect investment or brokerage decisions, except as agreed upon with the individual advisory client. We seek “best execution” when selecting brokers to effect securities transactions. We may consider the following factors in selecting brokers to effect securities transactions:

- (a) The quality of order execution offered by the broker.
- (b) The financial stability of the broker.
- (c) The broker’s responsiveness to us.
- (d) The commission rate or spread involved.
- (e) The fees, costs and delays involved in executing and settling trades through brokerage firms other than the custodial broker.

We often execute client securities transactions through Schwab Institutional for those client accounts that are in custody at Schwab Institutional, for the reasons discussed below.

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### Relationship with Charles Schwab & Co, Inc. (“Schwab Institutional”)

We have selected Schwab Institutional as a “preferred provider” of custodial and brokerage services to our clients. As a result, we typically recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (“Schwab Institutional”) a registered broker-dealer, to maintain custody of clients’ assets and to effect trades for their accounts. PAMPEL & ASSOCIATES, INC. and Schwab Institutional are separate, unaffiliated entities. Schwab Institutional provides us with access to its institutional trading and operations services typically not available to Schwab’s retail customers. These services generally are available to independent investment advisors at no charge so long as a minimum amount of the advisor’s clients’ account assets are maintained at Schwab Institutional. Schwab Institutional’s services include brokerage, custody, research, access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Schwab Institutional also makes available to us other products and services that benefit us. Some of these other products and services assist us

in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of our fees from our clients' accounts and assist with back-office support, record keeping and client reporting.

Schwab Institutional provides various products, services and other benefits to us on preferential service level or other terms based upon our placement or maintenance of a specified dollar amount of our clients' assets in accounts with Schwab Institutional. This creates a conflict of interest between us and our clients in that we may be influenced by this commitment in recommending that clients establish brokerage accounts at Schwab Institutional.

The products and services or other benefits provided by Schwab Institutional may include payments offsetting in whole or part the fees otherwise payable by us for: (1) software which, among other things, provides accounting and performance reporting; and (2) software which automates and monitors office activities, including tracking client correspondence and documents.

Some of the products, services and other benefits provided by Schwab Institutional benefit us and may not benefit our clients' accounts. These benefits may include educational events organized and/or sponsored by Schwab Institutional. Our recommendation that a client place assets in Schwab Institutional's custody may be based in part on benefits to us, and not solely on the nature, cost or quality of custody and execution services provided by Schwab Institutional.

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#### No Research and Other Soft Dollar Benefits

We are not party to any arrangements (known as "soft dollar" arrangements) under which we may obtain research or other products or services by using client brokerage commissions (or markups or markdowns).

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#### No Brokerage for Client Referrals

We do not consider, in selecting brokers for execution of client transactions, whether such brokers (or third parties related to such brokers) refer clients to us.

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## No Directed Brokerage

We do not routinely permit clients to direct us to effect securities transactions with a broker to compensate the broker for services provided to the client, either directly or indirectly.

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## Aggregation of Client Purchase and Sale Orders

At times, we will aggregate multiple client orders into blocks for execution through Charles Schwab & Co (and potentially through other brokers). Participating accounts in such block orders will receive the average price of the execution or partial execution of the block. However, clients participating in block transactions are charged a pro rata commission based upon their participation in the block transaction as if their order was entered on an individual basis.

## Review of Accounts

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### Periodic Reviews

Account reviews are performed quarterly by advisors Larry W. Pampel, (Principal and CEO of Pampel & Associates) and Eric J. Pampel (Portfolio Manager). Account reviews are performed more frequently when market conditions dictate.

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### Review Triggers

Other conditions that may trigger a review are new investment information, and changes in a client's own situation.

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### Regular Reports

Account reviewers are members of the firm's Investment Committee. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive periodic communications on at least an annual basis. *Investment Advisory* clients receive written quarterly updates. The communication updates may include a net worth statement, portfolio statement, and a summary of objectives and progress towards meeting those objectives.

## **Client Referrals and Other Compensation**

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### **Incoming Referrals**

We have been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

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### **Referrals Out**

We do not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

## **Custody**

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### **Account Statements**

All assets in individual accounts (except limited partnership interests in The Mill Creek Fund) are held at qualified custodians, which mean the custodians provide account statements directly to clients at their address of record at least quarterly.

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### **Performance Reports**

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by us.

## **Investment Discretion**

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### **Discretionary Authority for Trading**

We accept discretionary authority to manage securities accounts on behalf of clients. We have the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold.

The client approves the custodian to be used and the commission rates paid to the custodian. We do not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

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## Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. You sign a limited power of attorney so that we may execute the trades that you have approved.

## Voting Client Securities

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### Proxy Votes

We do not vote proxies on securities. Clients receive proxies directly from custodian and are expected to vote their own proxies.

When assistance on voting proxies is requested, we will provide recommendations to the client. If a conflict of interest exists, it will be disclosed to the client.

## Financial Information

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### Financial Condition

PAMPEL & ASSOCIATES, INC does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

## Requirements for State-Registered Advisers

Our firm is not actively engaged in any business other than giving investment advice.

Neither our firm, nor any persons associated with our firm are compensated for advisory services with performance-based fees. Please refer to the "Performance-Based Fees and Side-By-Side Management" section above for additional information on this topic.

Neither our firm, nor any of our management persons have any reportable arbitration claims, civil, self-regulatory organization proceedings or administrative proceedings.

Neither our firm, nor any of our management persons have a material relationship or arrangement with any issuer of securities.

Please refer to the Part 2B(s) for background information about our management personnel and those giving advice on behalf of our firm. The Part 2Bs are affixed to this disclosure brochure.

All material conflicts of interest under CCR Section 260.238(k) are disclosed regarding the investment adviser, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

While the firm endeavors at all times to offer clients its specialized services at reasonable costs, the fees charged by other advisers for comparable services may be lower than the fees charged by our firm.

Pursuant to California Code of Regulations, 10 CCR Section 260.235.2, our firm makes the following statement: a conflict of interest exists between the interest of our firm and the interests of the client. Further, the client is under no obligation to act upon our firm's recommendations, and if the client elects to act on any of the recommendations, the client is under no obligation to effect the transactions through our firm.

## **Business Continuity Plan**

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### **General**

PAMPEL & ASSOCIATES, INC has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

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### **Disasters**

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

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### **Alternate Offices**

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

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### **Loss of Key Personnel**

We have agreements with each custodian to support PAMPEL & ASSOCIATES, INC in the event of serious disability or death of key personnel.



# Information Security Program

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## Information Security

We maintain an information security program to reduce the risk that your personal and confidential information may be breached.

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## Privacy Notice

We have your privacy as our priority. We are particularly concerned about the privacy of our individual customers and former customers who obtain financial, planning or management services from us. Details of our approach to privacy, how we may collect information about you, the type of information we collect and how that information is used is set forth in the following PAMPEL & ASSOCIATES, INC. Privacy Notice. Our relationship with you is our most important asset. We understand that you have entrusted us with your information and we do everything we can to maintain that trust.

1. We do not sell your personal information to anyone.
2. We do collect “personal information” in the normal course of business in order to administer your accounts and serve you better. “Personal information” includes information from the following sources:
  - Application and registration information that you provide to us when you open an account or register for one of our services, such as online or seminars, or when you accept a promotional offer for a sponsored product or service. The information we collect may include name, address, phone number, e-mail address, Social Security number, and information about your interests, investments, and investment experience. We also may collect information from consumer reporting agencies.
  - Transaction information. Once you have an account with us, to administer your account and better serve you, we collect and maintain personal information about your transaction, including balances, positions, and history, and may include your name or other data in an internal client list that reflects your activities at Pampel & Associates, Inc.
3. We do not disclose personal information to nonaffiliated third parties, unless one of the following limited exceptions applies.

- We disclose personal information to companies that help us process or service your transactions or account(s), including companies that print and mail your account statements.
  - So that you can learn about products or services, we also may disclose personal information, such as account and transaction data, to companies, including financial institutions, which assist us in marketing. We have contracts with these companies that prohibit them from using your personal information for their own purposes.
  - We may disclose or report personal information in limited circumstances where we believe in good faith that disclosure is required or permitted under law including, for example, to cooperate with regulators or law enforcement authorities, resolve consumer disputes, perform credit/authentication checks, or for institutional risk control.
  - Outside of these exceptions, we will not share your personal information with nonaffiliated third parties unless you have specifically asked us to do so.
4. We use your personal information to help us deliver the best possible service to you and to fulfill our regulatory obligations.
- For example, we may use your personal information to provide faster, more convenient services or to alert you to products and services you may find useful.
  - To understand your financial needs and to deliver financial products and services that meet them, we may share personal information, such as transaction or experience data, with our affiliates, all of which follow similar privacy policies.
5. We protect the confidentiality and security of your personal information.
- We restrict access to personal information to our employees and agents for business purposes only. All employees are trained and required to safeguard such information.
  - We maintain physical, electronic, and procedural safeguards designed to guard your personal information.
6. We continue to evaluate our efforts to protect personal information and make every effort to keep your personal information accurate and up to date.

- If you identify any inaccuracy in your personal information, or you need to make a change to that information, please contact us so that we may promptly update our records.

7. We will provide notice of changes in our information-sharing practices.

- If, at any time in the future, it is necessary to disclose any of your personal information in a way that is inconsistent with this policy, we will give you advance notice of the proposed change and provide you with an opportunity to opt out of such disclosure.

**Date: May 17, 2012**

**Pampel & Associates, Inc.**

**101 S. Main Street**

**Monticello, IN 47960-4503 USA**

**Telephone: 574-583-7333**

**Facsimile: 574-583-8726**

**Form ADV Brochure Supplement for**

**Larry W. Pampel**

**CRD No. 2790945**

**Telephone: 574-583-7333**

**Email: [lpampel@pampel.com](mailto:lpampel@pampel.com)**

This brochure supplement provides information about Larry W. Pampel that supplements the Pampel & Associates, Inc. brochure. You should have received a copy of that brochure. Please contact us at 574-583-7333 if you did not receive our firm's brochure or if you have any questions about the contents of this supplement.

Additional information about Larry W. Pampel is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Please retain this Form ADV Brochure Supplement for future reference, as it contains important information if you decide to add services or establish additional advisory accounts at Pampel & Associates, Inc. We will provide you with an updated copy of this Brochure only if there are material changes to the information in Item 3 (Disciplinary Information).

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Larry W. Pampel, D.D.S.

Educational Background:

- Born April 7, 1946
- Ball State University 1964-1968 B.S. Degree
- Indiana University School of Dentistry 1968-1972 D.S.S. Degree

Business Experience:

- Employed as Dentist 1972 – to present
- President, CEO, Chief Compliance Officer and Director of Pampel & Associates 1988 - to present

Disciplinary Information: Not applicable

Other Business Activities:

- Practices Dentistry 12 days per month.
- Partner of White Horse Winery 2006 – to present

Supervision:

Larry W. Pampel is the principal owner, President, CEO, and Chief Compliance Officer of Pampel & Associates, Inc. He reviews company work through frequent office interactions as well as remote interactions. He also reviews employee activities through our client relationship management system. His personal trading is reviewed by Eric J. Pampel. Eric Pampel – supervisor of Larry Pampel – may be contacted via email or phone at 574-583-7333 or epampel@pampel.com.

Larry W. Pampel does not have, or has ever had, any reportable arbitration claims, has not been found liable in a reportable civil, self-regulatory organization or administrative proceeding, and has not been the subject of a bankruptcy petition.

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**Date: May 17, 2012**

**Pampel & Associates, Inc.**

**101 S. Main Street**

**Monticello, IN 47960-4503 USA**

**Telephone: 574-583-7333**

**Facsimile: 574-583-8726**

**Form ADV Brochure Supplement for**

**Eric J. Pampel**

**CRD No. 3180206**

**Telephone: 574-583-7333**

**Email: [epampel@pampel.com](mailto:epampel@pampel.com)**

This brochure supplement provides information about Eric J. Pampel that supplements the Pampel & Associates, Inc. brochure. You should have received a copy of that brochure. Please contact us at 574-583-7333 if you did not receive our firm's brochure or if you have any questions about the contents of this supplement.

Additional information about Eric J. Pampel is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Please retain this Form ADV Brochure Supplement for future reference, as it contains important information if you decide to add services or establish additional advisory accounts at Pampel & Associates, Inc. We will provide you with an updated copy of this Brochure only if there are material changes to the information in Item 3 (Disciplinary Information).

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Eric J. Pampel

Educational Background:

- Born January 1972
- Ball State University 1990 - 1995

Business Experience:

- Account Executive at Pampel & Associates, Inc 1998 to present
- Insurance - licensed in Health & Life 2003 to present
- Insurance - licensed in Long Term Care 2007 to present

Disciplinary Information: None applicable

Other Business Activities:

Licensed insurance agent of Pampel & Associates, Inc. – Eric J. Pampel receives commissions based on the sale of annuities, life insurance, long term care insurance, and health insurance products that may be provided by Pampel & Associates, Inc., to clients. Securities regulations require that Pampel & Associates, Inc., advise you that the receipt of commissions on the sale of insurance products may give Eric J. Pampel an incentive to recommend these products based on the compensation received, rather than on the client's needs. Pampel & Associates, Inc., however, believes that its ability to provide these insurance products to clients through Eric J. Pampel's licensure as an insurance agent assists Pampel & Associates, Inc., in delivering the best insurance product value for the cost, because (once a need for insurance is identified by the client or the client's other advisors, or by Pampel & Associates, Inc.) Eric J. Pampel is in a position to review the market for the relevant insurance product on behalf of the client with a view to determining which provider and which insurance product best suits the client's needs.

Supervision:

Eric J. Pampel is supervised by Larry W. Pampel, President and CEO of Pampel & Associates, Inc. He reviews Eric J. Pampel's work through frequent office interactions as well as remote interactions. He also reviews Eric J. Pampel's activities through our client relationship management system. Larry W. Pampel – supervisor of Eric J. Pampel – may be contacted via email or phone at 574-583-7333 or [lwmpampel@pampel.com](mailto:lwmpampel@pampel.com).

Eric J. Pampel does not have, or has ever had, any reportable arbitration claims, has not been found liable in a reportable civil, self-regulatory organization or administrative proceeding, and has not been the subject of a bankruptcy petition.