

Form ADV Part 2A

The Brochure

KELLER INVESTMENT MANAGEMENT, INC.

PO Box 3267

Cashiers, NC 28717

Contact person: Ronald L. Keller

828.743.9929

Date: March 15, 2012

This brochure provides information about the qualifications and business practices of Keller Investment Management, Inc. If you have questions about the contents of this brochure, please contact me at 828.743.9929. The information in the brochure has not been approved or verified by the U.S. Securities and Exchange Commission or by any state securities authority.

Additional information about Keller Investment Management, Inc. is available on the Internet at www.adviserinfo.sec.gov.

Item 2 – Material Changes

In 2010, the United States Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that Keller Investment Management provides to clients as required by SEC Rules. This Brochure is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires new information that my previous brochure did not require.

In the past, information about my qualifications and business practices has been offered to clients on an annual basis. Pursuant to new SEC Rules, Keller Investment Management will deliver a summary of any material changes to this brochure within 90 days of the close of my fiscal year. All such information will be provided to you free of charge.

There have been few, if any, material changes in the corporation since 1991. There have been no changes in the past year. The changes that have been most important involve the refinement in my investment strategy which you can learn more about in item number 8.

This Brochure may be requested by contacting Ronald L. Keller at 828.743.9929.

Additional information about Keller Investment Management, Inc. is also available via the SEC’s website at www.adviserinfo.sec.gov.

Item 3 – Table of Contents

Table of Contents

Item 1: Cover Page

Item 2: Material Changes

Item 3: Table of Contents

Item 4: Advisory Business – Client Communications

Item 5: Fees and Commissions

Item 6: Performance Fees and Side by Side Management

Item 7: Types of Clients

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Item 9: Disciplinary Information

Item10: Other Financial Industry Activities and Affiliations

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Item12: Brokerage Practices

Item 13: Review of Accounts

Item 14: Payment for Client Referrals

Item 15: Custody

Item 16: Investment Discretion

Item 17: Voting Client Securities

Item 18: Financial Information

Item 4 – Advisory Business

Keller Investment Management, Inc. (CRD # 105497) is registered as an investment adviser in Indiana and North Carolina.

The corporation is a Subchapter S Corporation which was incorporated in March, 1991, in Indianapolis, IN. Ronald L. Keller founded the firm, is the only shareholder and has been the only employee since the firm's inception.

The business is located at 1361 Wandering Ridge in Glenville, NC. All mail is received at PO Box 3267 Cashiers, NC 28717. Regular business hours are from 9:00 a.m. to 5:00 p.m., Monday through Friday. You may contact Keller Investment Management by phone or fax at 828.743.9929.

At December 31, 2011, Keller Investment Management served 34 clients with assets of \$57,694,642.

Client Communications

Keller Investment Management produces a *Market Comment* for all clients at the beginning of each quarter. The objective of each Market Comment is to increase the individual's understanding of the Point & Figure method of investing. I find that by using actual events from the prior quarter, I can illustrate how the use of relative strength (the basis of P&F) enables me to benefit or avoid the risk associated with the event.

Each *Market Comment* includes the current status of D.A.L.I. (Dynamic Asset Level Investing). DALI is a dynamic snapshot that allows me to properly allocate each portfolio across all types of assets. By paying close attention to what is favored in DALI's 7 levels and overweighting the strongest asset classes, I am able to adapt and change as the markets change.

The 7 levels are:

Level 1: Broad Allocation Focus on 6 Different Asset Classes

Level 2: Broad Equity Market – Cap Weighted or Equal Weighted

Level 3: Market Capitalization – Large, Midcap or Small

Level 4: Style – Value, Blend or Growth

Level 5: Sector – includes 40 sectors

Level 6: Global – Developed or Emerging Markets

Level 7: Fixed Income

In addition, each client receives a one-page quarterly report entitled *Performance Summary and Invoice of Investment Management Fees*. The report shows the net change in account value for the current quarter and year to date. The change in value is expressed in both dollars and percent. The report also shows the annual investment management fee expressed in dollars and as a percent of account value.

The fourth quarter report also includes a summary of each year's net change since the client relationship was established.

Item 5 – Fees and Compensation

Keller Investment Management offers services on a fee only basis. This means it does not sell financial products or earn brokerage commissions. All research, analysis and investment decisions are completely objective. Although a formal financial planning service is not offered, every effort is made to understand the changes that occur in each client's financial status.

Keller Investment Management believes that investment counsel fees should be reviewed annually. Fees can be negotiated based on the client's satisfaction with their performance and the quality of overall service and communication.

Basic Fee Schedule

2% annually of the first \$100,000

1.0% annually of the next \$400,000

0.5% annually of the next \$500,000

0.375% annually of the next \$4,000,000

0.25% annually of the next \$5,000,000

A Performance Summary and Invoice of Investment Management Fees report is mailed to each client at the beginning of the quarter. The management fee will be deducted in the first week of the quarter. Fees may be deducted from investment accounts upon written authorization from each client. In addition to the fees listed above, clients may also incur mutual fund expense charges, transaction fees, custodial fees, or other fees relating to their account. All such fees or charges are paid to parties other than Keller Investment Management.

Clients may terminate their contracts at any time and will receive a refund of a portion of the quarterly fee based on the time remaining in the quarter.

Item 6 – Performance Fees and Side-By-Side Management

Performance fees are fees an adviser charges based on a share of capital gains or capital appreciation in a client account. Keller Investment Management does not participate in any Performance Fee arrangements.

Side-By-Side Management exists when an adviser manages similar client portfolios that have different structures, fee arrangements, or other characteristics. Keller Investment Management does not participate in any such activity.

Item 7 – Types of Clients

All clients of Keller Investment Management are individuals. Their account values include capital invested in taxable accounts, IRAs and in one corporate account funded entirely with after tax money not required in company operations.

The minimum account I will accept is \$100,000.

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

The business objective of Keller Investment Management is to enable individual investors to gain peace of mind and financial freedom by helping them make smart decisions with their money.

Keller Investment Management believes that building and protecting wealth requires a combination of planning and a disciplined investment strategy that focuses on risk management.

This investment strategy is based on a professionally diversified portfolio utilizing the most effective capital assets available. These assets include individual stocks, market and sector index funds, mutual funds, exchange traded funds (ETF), commodities, precious metals and currencies.

All accounts are reviewed weekly using technical analysis via the Point and Figure (P&F) method to apply risk management tools that help determine supply and demand in the marketplace.

The P&F method of technical analysis has been in existence for over 100 years. P&F derives its name from the fact that changes in any asset price can be easily

plotted on a graph. The P&F technician can examine price patterns and make decisions on the potential risk or reward for any asset.

The P&F method is based on the economic theory that Supply and Demand is the cause of price movement. When demand is in control, there is a higher probability that prices will rise. When supply is in control, prices will likely decline. Keller Investment Management's investment process utilizes P&F analysis to determine the relationship between supply and demand affecting each asset class and each client position. The specific tasks that follow are all performed by Ronald L. Keller.

What I Do and How I Do It!

I use a disciplined approach to manage risk. I employ measures of risk in the market and sectors to reach conclusions about when and where the chances of success are the highest. I also use hedging techniques to help protect against downside risk and provide modest incremental return if the market weakens or goes sideways over time. The bottom line is I attempt to gravitate to those sectors and stocks exhibiting the greatest relative strength, employing statistical measures in a sell discipline so that positions are hedged or sold and proceeds reallocated if conditions change.

Step One

What I Do: I use the P&F method of technical analysis, along with several important technical indicators, to determine if it is time to be playing "offense or defense" in the market. These indicators essentially take "a pulse" of the market.

How I Do It: Every week, I review all the P&F indicators provided by Dorsey Wright & Associates (DWA). This is done to verify if the market is on offense, in wealth accumulation mode, or if defense, what wealth preservation tactics are warranted. I use a simple football analogy that clients find easy to understand to describe what it means to be on offense or defense.

Step Two

What I Do: Determine which industry sectors suggest offense or defense and what sectors are defined by several technical indicators, including several relative

strength measures. If a stock is not in a favored sector, I know right off that the stock, despite good fundamental characteristics, is going to be fighting an uphill battle to increase in price. It is not that progress can't be made: it is just that other stocks with better technical status will have a much easier time increasing in value.

How I Do It: DWA updates the status on all the stocks in their database daily and provides a Daily Equity Report that offers expanded insight into significant changes as they occur.

Step Three

What I Do: Create and maintain an inventory of opportunities to work from. I use a number of subscription services to determine the fundamental characteristics of favored sectors, stocks, ETFs, etc... These include Barron's, Investor's Business Daily, Grant's Interest Rate Observer and Morningstar. In this step, I am determining "What" specific asset class and asset to buy.

How I Do It: Once the fundamental screens have been run with the above services, I separate the inventory list by sector. Then I run a sector matrix that compares the relative strength of each sector (40 in total) against the other sectors. Then I chart the leading stock(s) in each of the highest ranked sectors manually.

Step Four

What I Do: I review those issues with the highest relative strength ratings and cull out those controlled by demand. I also do the same for those that are demonstrating the worst technical status so that I know what to avoid. In this step, I am determining "When" to establish a position.

How I Do It: I manually update selected charts daily.

Step Five

What I Do: I conduct a risk management analysis. This step, which is the most often overlooked step by investors and Wall Street analysts, is actually the most important step. This is when I create a buy and sell strategy for every investment that meets my client's investment objective.

How I Do It: It's not only important to know what or when to buy but an exit strategy must also be developed. What should I do if the investment does not work as expected? What should the client expect for a return? Where does the position run into serious price resistance? Where do we take profits or establish other defensive action? Does this investment warrant the use of a trailing stop? These are just a few of the questions asked in this, the most important step in the process. I want to know exactly how to react and what considerations need to be made if the market or our investment thesis changes, i.e. whether it is economic numbers, a break in the technical picture, a fundamental change in the industry or company or a geopolitical event, etc... I want to always be prepared.

I pay close attention to the tax implications of all transactions. I understand that frequent trading of positions can affect investment performance, particularly through increased brokerage commissions and taxes. My experience has been that the discipline associated with the P&F method does not result in aggressive trading activity.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the evaluation of Keller Investment Management or the integrity of Ronald L. Keller personally. Neither Keller Investment Management nor Ronald L. Keller is currently or has ever been subject to any legal or disciplinary events.

Item10 – Other Financial Industry Activities and Affiliations

Keller Investment Management does not have any relationships with anyone in the financial industry that would cause a conflict of interest in the service of any client.

Item11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Keller Investment Management's code of ethics sets forth standards of conduct and requires compliance with securities laws. A copy of the code of ethics will be provided upon request by a client.

Keller Investment Management believes very strongly that Ronald L. Keller should follow the same investment method that is applied to client assets with his own investment capital. As a result, he owns many of the same securities that clients own. This presents a possible conflict of interest.

To address this potential conflict of interest, all client accounts are segregated in a separate master account with the custodian firm. All Mr. Keller's personal and family related accounts are segregated in another master account with the custodian. Ronald L. Keller will do his best not to favor himself in any transaction. In reality, Keller Investment Management will use limit orders for the vast majority of both client and personal buys and sells that occur on the same day. That assures clients that their purchase cost or proceeds from a sale will be the same as Mr. Keller's.

Keller Investment Management completes a Quarterly Report of Personal Securities Transactions that lists all trades for Mr. Keller's personal and family related accounts.

Item 12 – Brokerage Practices

When recommending a broker/custodian to clients, Keller Investment Management considers many different factors, including the level of service, execution quality, transaction cost, reputation of the firm, financial resources and stability, among other things. Keller Investment Management recommends that clients use Charles Schwab & Co. as their custodian broker. Keller Investment Management reviews Schwab on an annual basis and continually finds their platform the best in the industry.

No research or soft dollar benefits accrue to Keller Investment Management in the course of using Charles Schwab for client accounts.

Keller Investment Management does not accept or participate in any client referral programs.

Trade aggregation is the bundling of trades to obtain volume discounts on execution costs. Keller Investment Management does not participate in any trade aggregation activities.

Directed brokerage involves asking or permitting clients to send trades to a specific broker for execution. Keller Investment Management does not execute any trades at brokerage firms other than Charles Schwab & Co.

Item 13 – Review of Accounts

Keller Investment Management reviews all accounts weekly. Individual positions may be reviewed more frequently depending on the circumstances.

Charles Schwab & Co. is responsible for sending each client a monthly statement listing all positions and all transactions for the period. Keller Investment Management receives an electronic download daily that reflects all client activity. Copies of monthly statements and tax related information are available on the Charles Schwab & Co. platform for each account.

Item 14 – Payment for Client Referrals

At this stage of a 40 plus year career, Keller Investment Management is not seeking new accounts. Keller Investment Management will respond to any individual that is referred by an existing client but does not, and will not, pay for any referrals.

Item 15 – Custody

Keller Investment Management does not accept custody of client funds and recommends the Charles Schwab & Co. to hold and maintain such assets. No account statement is generated internally by Keller Investment Management for any client. All clients are encouraged to carefully review their statements and compare the information to other sources from outside third parties. Results from outside sources may vary depending on reporting dates or valuation methodologies of certain securities.

Schwab is a “qualified custodian”. This means the company holds financial assets for its customers and segregates client assets from its proprietary assets. In addition to executing transactions for client accounts, Schwab is also responsible for all administrative tasks, including sending account statements directly to clients.

Item 16 – Investment Discretion

Keller Investment Management requires discretionary authority in all client relationships. Each client authorizes this discretion in signing an Investment Management Agreement with Keller Investment Management. The client also authorizes the custodian broker to accept trade instructions from Keller Investment Management by completing the appropriate section of a new account application.

There is one exception to the discretionary authority stated above. Keller Investment Management's first client in 1991 requested, and has been granted, a non-discretionary status.

Item 17 – Voting Client Securities

Keller Investment Management votes shareholder proxies for all clients online via Proxy.com. This responsibility is not outsourced nor is any third-party voting service compensated. Keller Investment Management has never had a client make a request to vote their shares on a specific issue but if this happened every effort would be made to respond in a timely manner.

Item 18 – Financial Information

Keller Investment Management has discretion over the purchase and sale of securities and each client's authorization to make quarterly payment of investment counsel fees directly to Keller Investment Management. It does not have custody of client funds nor the ability to direct funds from a client account for any other purpose.

Keller Investment Management has no other financial or operating conditions which could trigger additional reporting requirements.

Form ADV Part 2B

The Brochure Supplement

Ronald L. Keller

PO Box 3267

Cashiers, NC 28717

828.743.9929

Date: March 15, 2012

This brochure provides information about the qualifications and business practices of Ronald L. Keller that supplements the Keller Investment Management, Inc. brochure. If you have questions about the contents of this brochure supplement, please contact me at 828.743.9929.

Additional information about Keller Investment Management, Inc. is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Educational Background and Business Experience

Educational Background

Bachelor of Science, Accounting

Indiana University, June 1965

Professional Experience

Professional Athlete

Minnesota Twins 1965-1969

Merrill Lynch – Indianapolis, IN

Financial Representative 1969-1973

Fulton Reid & Staples – Indianapolis, IN

Municipal Bond Specialist 1973-1976

City Securities Corp. – Indianapolis, IN

Registered Option Specialist 1976 - 1979

Unified Management Corp. – Indianapolis, IN

Investment Manager 1979-1991

Keller Investment Management – Cashiers, NC

Providing investment counsel to individuals since 1991.

Item 3 – Disciplinary Information

Registered investment adviser representatives are required to disclose all material facts regarding any legal or disciplinary events that would be material to the evaluation of the individual. Ronald L. Keller is currently not subject to, nor has ever been subject to, any legal or disciplinary events of a material nature.

Item 4 – Other Business Activities

Ronald L. Keller has no other financial industry affiliations nor engages in any other business activities.

Item 5 – Additional Compensation

Ronald L. Keller does not receive compensation other than management fees directly from clients.

Item 6 – Supervision

Ronald L. Keller is the sole owner of Keller Investment Management, Inc. and consequently does not report to a supervisor.