

**Part 2A of Form ADV: Firm Brochure**



**Kessler Investment Advisors, Inc.**

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February 10, 2012

This brochure provides information about the qualifications and business practices of Kessler Investment Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at 303-295-7878 or [majohnson@kesslercompanies.com](mailto:majohnson@kesslercompanies.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.

Additional information about Kessler Investment Advisors, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://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 106393.

## **Item 2    Material Changes**

The SEC adopted "Amendments to Form ADV" in July, 2010. This Firm Brochure, dated February 10, 2012, is our new disclosure document prepared according to the SEC's new requirements and rules. As you will see, this document is a narrative that is substantially different in form and content, and includes some new information that we were not previously required to disclose.

After our initial filing of this brochure, this Item 2 will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

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

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## **Item 4    Advisory Business**

Kessler Investment Advisors, Inc. ("KIA") is a SEC-registered investment adviser with its principal place of business located in Denver, Colorado. KIA began conducting business in 1994.

Listed below are KIA's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company):

- The Kessler Companies, Inc.

In addition, the following information identifies entities that indirectly own 25% or more of KIA:

- Kessler Family Trust
- Robert Irving Kessler

KIA offers the following advisory services to KIA clients:

### **INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT**

KIA provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives are established, based on a client's particular circumstances, KIA develops a client's personal investment policy and creates and manages a portfolio based on that policy. During KIA's data-gathering process, KIA determines the client's individual objectives, risk tolerance, and return expectations. As appropriate, KIA also reviews and discusses a client's prior investment history, as well as family composition and background.

KIA manages these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., income, growth, total return and speculation) and risk exposure.

Clients may impose reasonable restrictions on the investment account.

KIA's investment recommendations are limited to specific products and will generally include advice regarding the following securities:

- United States governmental securities
- Futures contracts on intangibles
- Repurchase and Reverse Repurchase Agreements

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

To ensure that KIA's initial determination of an appropriate portfolio remains suitable and that the account continues to be managed in a manner consistent with the client's financial circumstances, KIA will:

- Send an annual customer update to each client requesting any updated

information regarding changes in the client's financial situation and investment objectives

- Be reasonably available to consult with the client
- Maintain client suitability information in each client's file

### **PUBLICATION OF NEWSLETTERS**

KIA publishes an average of six newsletters per year; generally on various financial topics including, but not limited to, world events, market trends, etc. No specific investment recommendations are provided in this newsletter and the information provided does not purport to meet the objectives or needs of any individual. This newsletter is distributed free of charge to KIA advisory clients.

### **AMOUNT OF MANAGED ASSETS**

As of December 31, 2011, KIA actively manages \$34,685,084.95 of clients' assets on a discretionary basis.

## **Item 5 Fees and Compensation**

### **INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT FEES**

Fees are negotiable. However, KIA's annual fees for Investment Supervisory Services are based upon a percentage of assets under management and generally range from .00% to 1.50%.

Fee arrangements may include a combination of a management fee and performance fee, or may be solely limited to a management fee or a performance fee. The terms and conditions of the fee structure are mutually agreed upon prior to entering into an advisory agreement.

**Account Management Fees:** KIA typically charges a fee for account management that is calculated and paid as a percentage of the assets under management. The Account Management Fee is calculated at an annual rate not to exceed 1.50%. Fees on non-pooled accounts are generally paid quarterly in arrears and pro-rated for partial periods during which assets are deposited or withdrawn from each client's account. Account management fees are debited directly from each client's account. Amount of leverage does not affect management fees, and is thus not a factor in management decisions. Fees on pooled ("Fund") accounts are generally paid monthly in arrears and pro-rated based on the terms of each specific offering memorandum. Fund expenses can range from 1% to 3% which are in addition to KIA's management fees.

**Managed Account Performance Fees:** Certain managed accounts pay KIA performance-based compensation. The performance fee is calculated based on a percentage of the net profits of the account(s) on a frequency mutually agreed upon with the client (generally quarterly).

KIA's performance fees typically range from 10% to 25% of the net profits above the

account's previous "high water mark". To the extent that the amount of account appreciation is less than the high water mark, there is a loss carry forward allocation that must be recouped before KIA is entitled to a performance-based fee.

Clients who elect to terminate their contracts will be charged a performance-based fee based on the performance of the account for the measuring period going back from the termination date and pro-rated from the date on which the performance-based fee was last calculated.

In measuring the individually managed account client's assets for the calculation of performance-based fees, KIA includes: securities for which market quotations are readily available, the accrued interest and/or accrued interest expense, the realized capital gains and/or losses, unrealized capital gains and/or losses of securities over the period plus capital committed but not actually deposited in the managed account.

The client must understand the performance-based fee method of compensation and its risks prior to entering into a management contract with KIA.

PERFORMANCE-BASED FEES WILL ONLY BE CHARGED IN ACCORDANCE WITH THE PROVISIONS OF REG. 205-3 OF THE INVESTMENT ADVISERS ACT OF 1940 AND/OR APPLICABLE STATE REGULATIONS. THE FEES WILL NOT BE OFFERED TO ANY CLIENT RESIDING IN A STATE IN WHICH SUCH FEES ARE PROHIBITED.

A minimum of \$1,000,000 of assets under management is required for this service. This account size may be negotiable under certain circumstances. KIA may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Limited Negotiability of Advisory Fees: Although KIA has established the aforementioned fee schedule(s), KIA retains the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. 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 schedule is identified in the contract between the adviser and each client.

Discounts, not generally available to KIA advisory clients, may be offered to family members and friends of associated persons of KIA.

## **GENERAL INFORMATION**

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice.

Additional Fees and Expenses: In addition to KIA advisory fees, clients are also responsible for financing, execution costs (such as brokerage commissions) and other fees not included in the client agreement. KIA may negotiate financing charges on client account transactions. When it does so and subject to the terms of contracts entered into with such clients, KIA may

add a fee for its services in negotiating and obtaining the financing. This fee will be added to the financing charge imposed by the institution providing the financing in order to pay referral fees to independent persons or firms ("Solicitors"). Generally, this additional charge is up to 20 basis points (.20 of 1%) in addition to the financing charge borne by the client.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

## **Item 6 Performance-Based Fees and Side-By-Side Management**

### **PERFORMANCE-BASED FEES**

As KIA disclosed in Item 5 of this brochure, KIA accepts a performance-based fee from the client. Such a performance-based fee is calculated based on a share of capital gains on or capital appreciation of the assets of the client. To qualify for a performance-based fee arrangement, a client (or Fund investor, as applicable) must either demonstrate a net worth of at least \$1,500,000 or must have at least \$750,000 under management immediately after entering into a management agreement with KIA.

Clients should be aware that a performance-based fee arrangement may create an incentive for KIA to recommend investment strategies with higher expected return and volatility than those which would be recommended under a different fee arrangement.

Furthermore, as KIA may have clients who do not pay performance-based fees, KIA may have an incentive to favor accounts that do pay such fees because compensation KIA may receive from these clients is more directly tied to the performance of their accounts.

## **Item 7 Types of Clients**

KIA provides advisory services to the following types of clients:

- High net worth individuals;
- Other pooled investment vehicles(e.g. hedge funds);
- Corporations or other businesses not listed above.

As previously disclosed in Item 5, KIA has established certain initial minimum account requirements, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service.

As previously disclosed in Item 5, KIA has established certain minimum account requirements to maintain an account, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service.

## **Item 8    Methods of Analysis, Investment Strategies and Risk of Loss**

### **METHODS OF ANALYSIS**

KIA uses the following methods of analysis in formulating our investment advice and/or managing client assets:

- **Fundamental Analysis:** KIA attempts to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy and industry conditions) to determine if the security is priced accordingly. 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 security.
- **Technical Analysis:** KIA analyzes past market movements and applies that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.
- **Charting:** In this type of technical analysis, KIA reviews 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.

Risks for all forms of analysis: KIA's securities analysis methods rely on the assumption that the securities KIA purchases and sells, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While KIA is alert to indications that data may be incorrect, there is always a risk that KIA's analysis may be compromised by inaccurate or misleading information. Investing in securities involves risk of loss.

### **INVESTMENT STRATEGIES**

KIA uses 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 return expectations, among other considerations:

KIA's investment strategies specialize in the forecasting of developed-economy sovereign bond yield movement and cash-flow. Cash bonds and related exchange-traded futures are utilized to capture these opinions. Strategies revolve around making market calls to over and under weight exposure (either long-only or long/short) at selected maturity points on sovereign yield curves in relationship to client pre-specified exposure ranges. Leverage, or implied leverage with futures, is used (both above and *below 1*) to achieve the desired level of exposure at the desired yield curve point. KIA engages in both systematic and subjective management around these parameters.

At the outset of an account, clients, together with KIA, choose a maximum target level of interest rate exposure consistent with each account's return and volatility expectations. Interest rate exposure is expressed in terms of portfolio duration.

KIA's ongoing discretionary management (and resultant trading) can be simplified into exposure and yield curve allocation calls as informed by fundamental and technical research.



Changes to exposure and yield curve allocation by KIA are generally applied to each account and result in trading the requisite securities to achieve those parameters. KIA's management adheres to the concept of "position trading" rather than "trading" in the sense that KIA trading is used to adjust the size of positions as opposed to putting on and taking off entire trades.

KIA's systematic investment strategy using U.S. Treasury (and related), USD denominated, exchange-traded futures centers on efforts to profit from market anticipation of U.S. monetary policy and embedded cashflow using shorter-dated maturities. This strategy has no long or short bias, and is reactive to common economic and fundamental inputs. Longer-term Treasury futures are used periodically when short-term rates are not expected to move for an extended period (i.e. Fed on hold).

## **Item 9    Disciplinary Information**

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

KIA and KIA's management personnel have no reportable disciplinary events to disclose.

## **Item 10    Other Financial Industry Activities and Affiliations**

In addition to KIA being a registered investment adviser, KIA is registered as a commodity pool operator ("CPO") and a commodity trading advisor ("CTA").

The management personnel of KIA are separately licensed as registered representatives of its affiliated broker-dealer, Kessler & Company Investments, Inc. These individuals, in their separate capacity, can effect securities transactions for which they can receive separate, yet customary compensation.

While KIA and these individuals endeavor at all times to put the interest of the clients first as part of KIA's fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

Clients should be aware that if additional compensation is received by KIA and its management persons or employees, it can create a conflict of interest that may impair the objectivity of KIA and these individuals when making advisory recommendations. KIA endeavors at all times to put the interest of its clients first as part of KIA's fiduciary duty as a registered investment adviser and we take the following steps to address this conflict:

- KIA discloses to clients the existence of all material conflicts of interest, including the potential for KIA and KIA employees to earn compensation from advisory clients in addition to KIA's advisory fees;
- KIA discloses to clients that they are not obligated to purchase recommended

investment products from KIA employees or affiliated companies;

- KIA collects, maintains and documents accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- KIA's management 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;
- KIA requires that KIA employees seek prior approval of any outside employment activity so that KIA may ensure that any conflicts of interests in such activities are properly addressed;
- KIA periodically monitors these outside employment activities to verify that any conflicts of interest continue to be properly addressed by KIA; and
- KIA educates KIA employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

KIA has adopted a Code of Ethics which sets forth high ethical standards of business conduct that KIA requires of its employees, including compliance with applicable federal securities laws.

KIA and its personnel owe a duty of loyalty, fairness and good faith towards KIA 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.

KIA's Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by KIA and anyone associated with this advisory practice that has access to advisory recommendations ("access persons"). Among other things, KIA's 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. KIA's code also provides for oversight, enforcement and recordkeeping provisions.

KIA's Code of Ethics further includes KIA's policy prohibiting the use of material non-public information. While KIA does 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.

A copy of KIA's Code of Ethics is available to KIA advisory clients and prospective clients. You may request a copy by emailing [majohnson@kesslercompanies.com](mailto:majohnson@kesslercompanies.com), or by calling KIA at

303-295-7878.

KIA's Code of Ethics is designed to assure that the personal securities transactions, activities and interests of KIA 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.

KIA and/or individuals associated with KIA may buy or sell for their personal accounts securities identical to or different from those recommended to KIA clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

KIA may aggregate KIA employee trades with client transactions where possible and when compliant with our duty to seek best execution for KIA clients. In these instances, participating clients will receive an average execution price and transaction costs that will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, KIA will allocate all purchases pro-rata, with each account paying the closest possible to the average price. KIA employee accounts will be included in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to KIA clients, we have established the following policies and procedures for implementing KIA's Code of Ethics, to ensure KIA complies with its regulatory obligations and provides KIA clients and potential clients with full and fair disclosure of such conflicts of interest:

- No principal or employee of KIA may put his or her own interest above the interest of an advisory client.
- No principal or employee of KIA 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.
- KIA 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 KIA and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by KIA's Chief Compliance Officer or his/her designee.
- KIA has established procedures for the maintenance of all required books and records.
- All of KIA's principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- KIA requires delivery and acknowledgement of the Code of Ethics by each supervised person of KIA.
- KIA has established policies requiring the reporting of Code of Ethics violations to

KIA's senior management.

- Any individual who violates any of the above restrictions may be subject to termination.

As disclosed in the preceding section of this brochure (Item 10), related persons of KIA are separately registered as registered representatives of its affiliated broker-dealer, Kessler & Company Investments, Inc. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

## **Item 12 Brokerage Practices**

For discretionary clients, KIA requires these clients to provide us with written authority to determine the broker dealer to use and the brokerage commission costs that will be charged to these clients for these transactions.

These clients may include any limitations on this discretionary authority in this written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

KIA does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

KIA will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow us to execute trades in a timelier, more equitable manner, at the closest possible to the average price. KIA will typically aggregate trades among clients whose accounts can be traded at a given broker. KIA's block trading policy and procedures are as follows:

- Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with KIA or KIA's order allocation policy.
- The trading desk in concert with the portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
- The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable KIA to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.

- Prior to entry of an aggregated order, a written record is completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.
- If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro-rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro-rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation.
- Generally, each client that participates in the aggregated order must do so at the closest possible of the average price for all separate transactions made to fill the order, and must share in the commissions on a pro-rata basis in proportion to the client's participation.
- If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer ("CCO") no later than the morning following the execution of the aggregate trade.
- KIA's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.
- Funds and securities for aggregated orders are clearly identified on KIA's records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.
- No client or account will be favored over another.

## **Item 13    Review of Accounts**

### **INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT**

Reviews: While the underlying securities within Individual Portfolio Management accounts are continually monitored, these accounts are reviewed, reconciled and balanced monthly. 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.

These accounts are reviewed, balanced and reconciled by the Chief Operations Officer. When warranted an additional review will be performed.

Reports: In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, KIA provides monthly reports detailing and summarizing

account activity, performance, balances and holdings.

These reports may remind the client to notify us if there have been changes in the client's financial situation or investment objectives and whether the client wishes to impose investment restrictions or modify existing restrictions.

## **Item 14 Client Referrals and Other Compensation**

### **CLIENT REFERRALS**

KIA may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Whenever KIA pays a referral fee, KIA requires the Solicitor to provide the prospective client with a copy of this document (Firm Brochure) and a separate disclosure statement that includes the following information:

- The Solicitor's name and relationship with KIA;
- The fact that the Solicitor is being paid a referral fee;
- The amount of the fee; and
- Whether the fee paid to us by the client will be increased above KIA's normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to us by clients referred by Solicitors are not increased as a result of any referral.

It is KIA's policy not to accept or allow KIA 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 KIA provides to its clients.

## **Item 15 Custody**

KIA previously disclosed in the "Fees and Compensation" section (Item 5) of this brochure that KIA directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian (for non-fund accounts) does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, KIA also sends Analysis of Account statements directly to KIA clients on a monthly basis. KIA urges KIA clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

## **Item 16 Investment Discretion**

Clients may hire us to provide discretionary asset management services, in which case KIA executes trades for a client's account without contacting the client prior to each trade to obtain the client's permission.

KIA's discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell;
- Determine the amount of the security to buy or sell; and
- Debit the account for advisory and/or performance fees.

Clients give us discretionary authority when they sign a discretionary agreement with KIA, 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.

## **Item 17 Voting Client Securities**

KIA does not engage in products that require the need of proxy voting.

## **Item 18 Financial Information**

Under no circumstances does KIA require or solicit payment of fees in advance of services. Therefore, KIA is not required to include a financial statement.

As an advisory firm that is deemed to have custody, KIA is required to disclose any financial condition that is likely to impair our ability to meet our contractual obligations. KIA has no financial circumstances to report.

KIA has not been the subject of a bankruptcy petition at any time during the past ten years.

**Part 2B of Form ADV: Brochure Supplement**

Eric Wynne Hickman  
Robert Irving Kessler



Kessler Investment Advisors, Inc.

1200 17th Street, Suite 110  
Denver Colorado 80202

February 10, 2012

This Brochure Supplement provides information about the individuals listed above that supplements the Firm Brochure. You should have received a copy of that brochure. Please contact Maxine A. Johnson if you did not receive the Firm Brochure or if you have any questions about the contents of this Brochure Supplement.

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



## **Item 2 Educational, Background and Business Experience**

**Full Legal Name:** Eric Wynne Hickman      **Born:** 1977

### **Education**

- University of Colorado; B.A., Mathematics; 2001

### **Business Experience**

- Kessler Investment Advisors, Inc. - Managing Director of Research, Analytics and Trading; 09/2007 to Present
- Kessler & Company Investments, Inc. - Trader and Financial Analyst; 11/2001 to Present
- Kessler Investment Advisors, Inc. - Trader and Financial Analyst; 11/2001 to 09/2007

## **Item 3 Disciplinary Information**

Eric Wynne Hickman has no disciplinary history.

## **Item 4 Other Business Activities**

### **A. Investment-Related Activities**

1. Eric Wynne Hickman is also engaged in the following investment-related activities:

- Registered representative of our affiliate broker-dealer Kessler & Company Investments, Inc.
- Kessler Investment Advisors, Inc. is under common control with Kessler & Company Investments, Inc., a FINRA member broker-dealer.
- As a practice, Kessler & Company Investments, Inc. nor its employees are compensated for any trading done for the accounts of the adviser.
- There is no additional compensation earned.

2. Eric Wynne Hickman is partially compensated on a percentage of the net management and incentive fees.

### **B. Non Investment-Related Activities**

Eric Wynne Hickman does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

## **Item 5 Additional Compensation**

Eric Wynne Hickman does not receive any economic benefit from a non-advisory client for the provision of advisory services.

## **Item 6 Supervision**

**Supervisor:** Robert Kessler

**Title:** CEO

**Phone Number:** 303-295-7878

Robert Kessler oversees the trading practices of Kessler Investment Advisors, Inc.

## **Item 2 Educational, Background and Business Experience**

**Full Legal Name:** Robert Irving Kessler      **Born:** 1942

### **Education**

- University of Michigan; B.A., Economics; 1962

### **Business Experience**

- Kessler & Company Investments, Inc. - Chief Executive Officer; 01/2002 to Present
- Kessler-Ehrlich International, Inc. - President and Director; 11/1989 to Present
- The Kessler Companies International Limited - Chief Executive, Executive Officer; 01/2002 to 11/2010
- Kessler Investment Advisors, Inc. - Chief Executive Officer, Investment Committee Member; 01/2002 to Present
- The Kessler Companies, Inc. - President and Chief Executive Officer; 01/2002 to Present

## **Item 3 Disciplinary Information**

Robert Irving Kessler has no reportable disciplinary history.

## **Item 4 Other Business Activities**

### **A. Investment-Related Activities**

1. Robert Irving Kessler is also engaged in the following investment-related activities:

- Registered representative of our affiliate broker-dealer Kessler & Company Investments, Inc.
- Kessler Investment Advisors, Inc. is under common control with Kessler & Company Investments, Inc., a FINRA member broker-dealer.
- As a practice, Kessler & Company Investments, Inc. nor its employees are compensated for any trading done for the accounts of the advisor.
- There is no additional compensation earned.

2. Robert Irving Kessler does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

### **B. Non Investment-Related Activities**

Robert Irving Kessler is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time.

## **Item 5 Additional Compensation**

Robert Irving Kessler does not receive any economic benefit from a non-advisory client

for the provision of advisory services.

## **Item 6 Supervision**

**Supervisor:** Robert Kessler

**Title:** CEO

**Phone Number:** 303-295-7878

Robert Kessler oversees the trading practices of Kessler Investment Advisors, Inc.