

FORM ADV

Uniform Application for Investment Adviser Registration

Part II - Page 1

Name of Investment Adviser: Kay Investments, Inc.				
Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code: Telephone Number:
5000 Seneca Point Road	Canandaigua	NY	14424	(585) 396-1312

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

Table of Contents

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

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

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

Applicant: Kay Investments, Inc.	SEC File Number: 801-66268	Date: 09/26/2007
-------------------------------------	-------------------------------	---------------------

1. A. Advisory Services and Fees. (check the applicable boxes)	For each type of service provided, state the approximate % of total advisory billings from that service (See instruction below.)
Applicant:	
<input checked="" type="checkbox"/> (1) Provides investment supervisory services	100 %
<input checked="" type="checkbox"/> (2) Manages investment advisory accounts not involving investment supervisory services	0 %
<input type="checkbox"/> (3) Furnishes investment advice through consultations not included in either service described above	0 %
<input type="checkbox"/> (4) Issues periodicals about securities by subscription	0 %
<input type="checkbox"/> (5) Issues special reports about securities not included in any service described above	0 %
<input type="checkbox"/> (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities	0 %
<input type="checkbox"/> (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities	0 %
<input type="checkbox"/> (8) Provides a timing service	0 %
<input type="checkbox"/> (9) Furnishes advice about securities in any manner not described above	0 %

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

B. Does applicant call any of the services it checked above financial planning or some similar term?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
--	---------------------------------	---

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

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

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

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

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

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

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

3. Types of Investments. Applicant offers advice on the following: (check those that apply)

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

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

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

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

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

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

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

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

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

Applicant: Kay Investments, Inc.	SEC File Number: 801- 66268	Date: 09/26/2007
-------------------------------------	--------------------------------	---------------------

5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? Yes No
(If yes, describe these standards on Schedule F.)

6. Education and Business Background.

For:

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

On Schedule F, give the:

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

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

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

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

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

- A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:

<input type="checkbox"/> (1) broker-dealer	<input type="checkbox"/> (7) accounting firm
<input type="checkbox"/> (2) investment company	<input type="checkbox"/> (8) law firm
<input type="checkbox"/> (3) other investment adviser	<input type="checkbox"/> (9) insurance company or agency
<input type="checkbox"/> (4) financial planning firm	<input type="checkbox"/> (10) pension consultant
<input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant	<input type="checkbox"/> (11) real estate broker or dealer
<input type="checkbox"/> (6) banking or thrift institution	<input type="checkbox"/> (12) entity that creates or packages limited partnerships

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

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

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

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

Applicant: Kay Investments, Inc.	SEC File Number: 801- 66268	Date: 09/26/2007
-------------------------------------	--------------------------------	---------------------

9. Participation or Interest in Client Transactions.

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

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

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

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account? Yes No

(If yes, describe on Schedule F.)

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

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

Please see the disclosure set forth on Schedule F to this Form ADV.

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

Please see the disclosure set forth on Schedule F to this Form ADV.

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

Applicant: Kay Investments, Inc.	SEC File Number: 801- 66268	Date: 09/26/2007
-------------------------------------	--------------------------------	---------------------

12. Investment or Brokerage Discretion.

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

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

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

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

13. Additional Compensation.

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

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

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

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

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

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

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
Kay Investments, Inc.	801- 66268	09/26/2007

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Kay Investments, Inc.		IRS Empl. Ident. No.: 16-1585613
Item of Form (identify)	Answer	
1D	<p>Kay Investments, Inc. (the “Registrant”) is an investment adviser providing investment management services to individuals, investment limited partnerships, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities. The Registrant offers its services for fees based upon assets under management. Prior to engaging the Registrant to provide any of the foregoing investment advisory services, the client will be required to enter into one or more written agreements with the Registrant setting forth the terms and conditions under which the Registrant shall render its services (collectively the “<i>Agreement</i>”).</p> <p>The Registrant’s investment advisory services are currently limited to the discretionary and non-discretionary management of investment portfolios in accordance with the investment objective(s) of the client. The Registrant generally does not provide financial planning or other consulting services.</p> <p>In the event the client determines to engage the Registrant to provide investment management services, the Registrant shall do so on a fee basis. If engaged, the Registrant shall charge an annual fee based upon a percentage of the market value of the assets being managed by the Registrant. As discussed in response to Item 12B (below), the Registrant’s annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. However, the Registrant shall not receive any portion of these commissions, fees, and costs. The Registrant’s annual fee shall be prorated and charged quarterly, in arrears, based upon the market value of the assets on the last day of the previous quarter. The annual fee shall vary (between 0.40% and 0.95%) depending upon the market value of the assets under management and the type of investment management services to be rendered.</p> <p>As further discussed in response to Item 10 (below), the Registrant generally imposes a minimum portfolio value for its investment management services. The Registrant, in its sole discretion, may negotiate to waive its stated account minimum or charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, <i>pro bono</i> activities, etc.).</p> <p>The Registrant offers advice on each type of investment described in Part II of Form ADV (Item 3). However, the Registrant intends to primarily allocate its client’s investment management assets, on a discretionary and/or a non-discretionary basis among <i>Independent Managers</i> (as defined below), mutual funds, exchange traded funds, and mortgage securities in accordance with the investment objectives of the client.</p> <p>As further discussed in response to Item 12B (below), the Registrant shall generally recommend that clients utilize the brokerage and clearing services of Fidelity Investments and its affiliates (collectively referred to as “<i>Fidelity</i>”) for investment management accounts.</p> <p>The Registrant may only implement its investment management recommendations after the client has arranged for and furnished the Registrant with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions shall include, but are not limited to, <i>Fidelity</i>, any other broker-dealer recommended by the Registrant, broker-dealer directed by the client, trust companies, banks etc. (collectively referred to herein as the “<i>Financial Institution(s)</i>”).</p> <p>Clients may incur certain charges imposed by the <i>Financial Institution(s)</i> and other third parties such as fees charged by <i>Independent Managers</i> (as defined below), custodial fees, charges imposed directly by a mutual fund or exchange traded fund in the account, which shall be disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, for assets outside of any wrap fee programs, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to the Registrant’s fee.</p>	

The Registrant's *Agreement* and/or the separate agreement with the *Financial Institution(s)* may authorize the Registrant through the *Financial Institution(s)* to debit the client's account for the amount of the Registrant's fee and to directly remit that management fee to the Registrant in accordance with applicable custody rules. The *Financial Institution(s)* recommended by the Registrant have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to the Registrant.

The Registrant may also recommend that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain independent investment manager(s) either directly or through a wrap fee program ("*Independent Manager(s)*"), based upon the stated investment objectives of the client. The terms and conditions under which the client shall engage the *Independent Manager(s)* shall be set forth in separate written agreements between (1) the client and the Registrant and (2) the client and the designated *Independent Manager(s)* and/or wrap fee program sponsor. The Registrant shall continue to render advisory services to the client relative to the ongoing monitoring and review of account performance, for which the Registrant shall receive an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated *Independent Manager(s)*. Factors that the Registrant shall consider in recommending *Independent Manager(s)* include the client's stated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated *Independent Manager(s)*, together with the fees charged by the wrap fee program sponsor and corresponding designated broker-dealer/custodian of the client's assets, may be exclusive of, and in addition to, the Registrant's investment advisory fee set forth above. As discussed above, the client may incur additional fees than those charged by the Registrant, the designated *Independent Manager(s)*, wrap fee program sponsor (if applicable), and corresponding broker-dealer and custodian.

In addition to the Registrant's written disclosure statement, the client shall also receive the written disclosure statement of the designated *Independent Manager(s)* and wrap fee program sponsor (if applicable). Certain *Independent Manager(s)* may impose more restrictive account requirements and varying billing practices than the Registrant. In such instances, the Registrant may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Manager(s)* or wrap fee program sponsor.

If the Registrant refers a client to certain *Independent Manager(s)* where the Registrant's compensation is included in the advisory fee charged by such *Independent Manager(s)* and the client engages those *Independent Manager(s)*, the Registrant shall be compensated for its services by receipt of a fee to be paid directly by the *Independent Manager(s)* to the Registrant in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, as amended, and any corresponding state securities laws, rules, regulations, or requirements. Any such fee shall be paid solely from the *Independent Manager(s)* investment management fee or the program fee of the wrap fee program (as appropriate), and shall not result in any additional charge to the client.

The Registrant also may render non-discretionary investment management services to clients relative to: (1) variable life/annuity products that they may own, and/or (2) their individual employer-sponsored retirement plans. In so doing, the Registrant either directs or recommends the allocation of client assets among the various mutual fund subdivisions that comprise the variable life/annuity product or the retirement plan. The client assets shall be maintained at either the specific insurance company that issued the variable life/annuity product which is owned by the client, or at the custodian designated by the sponsor of the client's retirement plan.

The client may make additions to and withdrawals from the account at any time, subject to the Registrant's right to terminate an account. Clients may withdraw account assets on notice to the Registrant, subject to the usual and customary securities settlement procedures. However, the Registrant designs its portfolios as long-term investments and assets withdrawals may impair the achievement of a client's investment objectives.

For the initial quarter of investment management services, the first quarter's fees shall be calculated on a *pro rata* basis. The *Agreement* between the Registrant and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. The Registrant's annual fee shall be prorated through the date of termination and any remaining balance shall be charged or refunded to the client, as appropriate, in a timely manner.

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

Additions may be in cash or securities provided that the Registrant reserves the right to liquidate any transferred securities, or decline to accept particular securities into a client's account. The Registrant may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

The Registrant's clients are advised to promptly notify the Registrant if there are ever any changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon the Registrant's management services.

Neither the Registrant nor the client may assign the *Agreement* without the consent of the other party. Transactions that do not result in a change of actual control or management of the Registrant shall not be considered an assignment.

A copy of the Registrant's privacy policy notice and a written disclosure statement that meets the requirements of Rule 204-3 of the Investment Advisers Act of 1940, as amended ("Advisers Act"), shall be provided to each client prior to or contemporaneously with the execution of the *Agreement*. Any client who has not received a copy of the Registrant's written disclosure statement at least forty-eight (48) hours prior to executing the *Agreement* shall have five (5) business days subsequent to executing the agreement to terminate the Registrant's services without penalty.

The Registrant may vote proxies on behalf of its clients. When the Registrant accepts such responsibility, it will only cast proxy votes in a manner consistent with the best interest of its clients. Absent special circumstances, which are fully- described in the Registrant's Proxy Voting Policies and Procedures, all proxies will be voted consistent with guidelines established and described in the Registrant's Proxy Voting Policies and Procedures, as they may be amended from time-to-time. At any time, clients may contact the Registrant to request information about how Registrant voted proxies for that client's securities or to get a copy of the Registrant's Proxy Voting Policies and Procedures. A brief summary of the Registrant's Proxy Voting Policies and Procedures is as follows:

- The Registrant has formed a Proxy Voting Committee that will be responsible for monitoring corporate actions, making voting decisions in the best interest of clients, and ensuring that proxies are submitted in a timely manner.
- The Proxy Voting Committee will generally vote proxies according to the Registrant's then current Proxy Voting Guidelines. The Proxy Voting Guidelines include many specific examples of voting decisions for the types of proposals that are most frequently presented, including: composition of the board of directors; approval of independent auditors; management and director compensation; anti-takeover mechanisms and related issues; changes to capital structure; corporate and social policy issues; and issues involving mutual funds.
- Although the Proxy Voting Guidelines are to be followed as a general policy, certain issues will be considered on a case-by-case basis based on the relevant facts and circumstances. Since corporate governance issues are diverse and continually evolving, the Registrant shall devote an appropriate amount of time and resources to monitor these changes.
- In situations where there may be a conflict of interest in the voting of proxies due to business or personal relationships that the Registrant maintains with persons having an interest in the outcome of certain votes, the Registrant will take appropriate steps to ensure that its proxy voting decisions are made in the best interest of its clients and are not the product of such conflict.

2G, 3K(3), 8D, and 9D

Kay Income Management Inc. ("*General Partner*"), an affiliate of the Registrant, is the General Partner of Kay Income Partners, L.P. ("*KIP*"), a limited partnership formed to engage primarily in the business of purchasing mortgages. Interests in the Partnership are privately offered pursuant to Regulation D under the Securities Act of 1933, as amended. *KIP* currently relies on an exemption from registration under the Investment Company Act of 1940, as amended that is available to investment partnerships that do not have more than 100 investors.

Darrell Kay, the Principal of the Registrant, will be responsible for managing the business and investments of *KIP*. Participation as a limited partner of *KIP* shall generally be restricted to investors that qualify as "accredited investors" as defined under Rule 501 of the Securities Act of 1933, as

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

	<p>amended. The minimum <i>KIP</i> investment is \$25,000, subject to waiver at the discretion of <i>General Partner</i>. The <i>General Partner</i> will be entitled to receive any points negotiated pursuant to the mortgages purchased by <i>KIP</i>. Such “points” will not reduce the amount of mortgage principal to be repaid, nor will such points be utilized as a negotiating tool in order to decrease or “buy down” interest rates. Along with the points, the <i>General Partner</i> will also receive an annual management fee equal to 0.60% of the gross assets of <i>KIP</i>.</p> <p>To the extent certain of the Registrant’s individual advisory clients qualify, they will be eligible to participate as limited partners of <i>KIP</i>. Investment in <i>KIP</i> involves a significant degree of risk. All relevant information, terms and conditions relative to <i>KIP</i>, including the compensation received by the Registrant and/or <i>General Partner</i>, suitability, risk factors, and potential conflicts of interest, are set forth in the Confidential Private Offering Memorandum (the “<i>Memorandum</i>”), Limited Partnership Agreement (the “<i>Agreement</i>”), and Subscription Agreement, which each limited partner is required to receive and/or execute prior to being accepted as a limited partner of <i>KIP</i>.</p>
3L	The Registrant may also provide advice about exchange traded funds (ETFs) and any type of investment held in a client’s portfolio at the beginning of the advisory relationship.
3L and 4C(7)	As further discussed in the response to Item 1D (above), the Registrant may recommend that clients authorize the active discretionary management of a portion of their assets by and/or among certain <i>Independent Manager(s)</i> , based upon the stated investment objectives of the client. The Registrant shall continue to render services to the client relative to the discretionary selection of <i>Independent Manager(s)</i> as well as the monitoring and review of account performance and client investment objectives.
4A(5) and 4B(8)	As further discussed in the response to Item 1D (above), the Registrant may recommend that clients authorize the active discretionary management of a portion of their assets by and/or among certain <i>Independent Manager(s)</i> , based upon the stated investment objectives of the client. When selecting an <i>Independent Manager</i> for a client, the Registrant shall review information about the <i>Independent Manager(s)</i> such as its disclosure statement and/or material supplied by the <i>Independent Manager(s)</i> or independent third parties for a description of the <i>Independent Manager’s</i> investment strategies, past performance and risk results to the extent available.
5	All individuals that render investment advisory services on behalf of the Registrant must have earned a college degree and/or have substantive investment-related experience. In addition, all such individuals shall have attained all required investment-related licenses and/or designations.
6	<p>DARRELL J. KAY Born 1950 <i>Post-Secondary Education:</i> University of Rochester – Simon School – 1982, MBA, Finance and Economics University of Wisconsin – 1976, MA, Mathematics University of Rochester – 1972, BA, Mathematics <i>Recent Business Background:</i> Kay Investments, Inc., Managing Director, 05/2000 – Present</p>
9E	<p>The Registrant and persons associated with the Registrant (“Associated Persons”) are permitted to buy or sell securities that it also recommends to clients consistent with the Registrant’s policies and procedures.</p> <p>The Registrant has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws (“<i>Code of Ethics</i>”). In accordance with Section 204A of the Advisers Act, its <i>Code of Ethics</i> contains written policies reasonably designed to prevent the unlawful use of material non-public information by the Registrant or any of its associated persons. The <i>Code of Ethics</i> also requires that certain of the Registrant’s personnel (called “<i>Access Persons</i>”) report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings. Clients may contact the Registrant to request a copy of its <i>Code of Ethics</i>.</p> <p>Unless specifically permitted in the Registrant’s <i>Code of Ethics</i>, none of the Registrant’s <i>Access Persons</i> may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the <i>Access Person</i>) any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of the</p>
Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).	

	<p>Registrant's clients.</p> <p>When the Registrant is purchasing or considering for purchase any security on behalf of a client, no <i>Access Person</i> may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when the Registrant is selling or considering the sale of any security on behalf of a client, no <i>Access Person</i> may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.</p>
10	<p>As a condition for starting and maintaining an investment management relationship, the Registrant shall generally impose a minimum portfolio size of \$250,000. The Registrant, in its sole discretion, may accept clients with smaller portfolios based upon certain criteria including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, and <i>pro bono</i> activities. The Registrant shall only accept clients with less than the minimum portfolio size if, in the sole opinion of the Registrant, the smaller portfolio size will not cause a substantial increase of investment risk beyond the client's identified risk tolerance. The Registrant may aggregate the portfolios of family members to meet the minimum portfolio size.</p> <p>Additionally, certain <i>Independent Manager(s)</i> may impose more restrictive account requirements and varying billing practices than the Registrant. In such instances, the Registrant may alter its corresponding account requirements and/or billing practices to accommodate those of the <i>Independent Manager(s)</i> or wrap fee program sponsor.</p>
11A	<p>The Registrant monitors client portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. Such reviews are conducted by the Principal of the Registrant, Darrell J. Kay. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with the Registrant and to keep the Registrant informed of any changes thereto. The Registrant shall contact ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.</p>
11B	<p>Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom the Registrant provides investment advisory services will also receive a report from the Registrant that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance on a quarterly basis.</p>
12A, 12B and 13A	<p>Please see the previous responses set forth on this Schedule F to Item 1D.</p> <p>Except as provided for in any applicable wrap fee program, the brokerage commissions and/or transaction fees charged by <i>Fidelity</i> or any other designated broker-dealer are exclusive of and in addition to the Registrant's fee.</p> <p>Factors which the Registrant considers in recommending <i>Fidelity</i> or any other broker-dealer, to clients include their respective financial strength, reputation, execution, pricing, research, and service. <i>Fidelity</i> enables the Registrant to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by <i>Fidelity</i> may be higher or lower than those charged by other broker-dealers.</p> <p>The commissions paid by the Registrant's clients shall comply with the Registrant's duty to obtain "best execution." However, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while the Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for</p>
<p>Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).</p>	

client transactions.

If the client requests the Registrant to arrange for the execution of securities brokerage transactions for the client's account, the Registrant shall direct such transactions through broker-dealers that the Registrant reasonably believes will provide best execution. The Registrant shall periodically and systematically review its policies and procedures regarding recommending broker-dealers to its client in light of its duty to obtain best execution.

The client may direct the Registrant in writing to use a particular broker-dealer to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that broker-dealer, and the Registrant will not seek better execution services or prices from other broker-dealers or be able to "batch" client transactions for execution through other broker-dealers with orders for other accounts managed by the Registrant (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, the Registrant may decline a client's request to direct brokerage if, in the Registrant's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Transactions for each client generally will be effected independently, unless the Registrant decides to purchase or sell the same securities for several clients at approximately the same time. The Registrant may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among the Registrant's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among the Registrant's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Registrant determines to aggregate client orders for the purchase or sale of securities, including securities in which the Registrant's *Advisory Affiliate(s)* may invest, the Registrant shall generally do so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. The Registrant shall not receive any additional compensation or remuneration as a result of the aggregation. In the event that the Registrant determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, the Registrant may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist the Registrant in its investment decision-making process. Such research generally will be used to service all of the Registrant's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest.

The Registrant may receive from *Fidelity*, without cost to the Registrant, computer software and related systems support, which allow the Registrant to better monitor client accounts maintained at *Fidelity*. The Registrant may receive the software and related support without cost because the Registrant renders investment management services to clients that maintain assets at *Fidelity*.

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

Specifically, the Registrant may receive the following benefits from *Fidelity* through the Fidelity Registered Investment Advisor Group: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Registered Investment Advisor Group participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

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