

**FORM ADV Uniform Application for Investment Adviser Registration**  
**Part 2A: Investment Adviser Brochure**  
**Item 1: Cover Page**

**Kaydan Group, Inc.**  
**d/b/a 401(K)aydan Group, Inc.**

**SEC # 801-54788**  
**CRD # 108964**

329 W. Silver Lake Road  
Fenton, MI 48430  
Phone: (810) 593-1624  
Fax: (810) 593-1643  
[www.kaydangroup.com](http://www.kaydangroup.com)

**March 2011**

*This brochure provides information about the qualifications and business practices Kaydan Group, Inc., doing business as 401(K)aydan Group, Inc. If you have any questions about the contents of this brochure, please contact us at the phone number listed above.*

*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. Please note, where this brochure may use the terms "registered investment adviser" and/or "registered", registration itself does not imply a certain level of skill or training.*

*Additional information about the firm and its representatives is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)*

## **Item 2: Material Changes**

Due to a series of recent changes in securities regulation, investment advisers are now required to deliver disclosure information in this new narrative format (“Form ADV Part 2”). This brochure incorporates the same features and information provided previously within the Form ADV Part II.

Updates to the information contained within this brochure will be provided to clients on an immediate basis. This section will be updated to reflect such changes in a summary form. Should you have any questions related to these disclosures, please contact a firm representative at your convenience.

Additional information about the firm and its representatives is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

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## **Item 4: Advisory Business**

Established in 1996 by President James B. Kruzan, Kaydan Group, Inc., doing business as 401(K)aydan Group, Inc. ("Kaydan") is a Michigan corporation. The firm has been a registered investment adviser with the U. S. Securities and Exchange Commission ("SEC") since 2000.

Kaydan provides financial planning services, including retirement planning solutions, 401(k) asset allocation/monitoring, and career transition consulting. Kaydan also provides portfolio management services (or investment management services) as described more fully below.

### ***Financial Planning Services***

Kaydan provides financial plans that are based on the individual client's financial, risk/reward objectives and tax status. The financial plans may be comprehensive or segmented. Typical planning engagements include:

- Planning for retirement;
- Planning for capital needs;
- Education funding; and
- Income and estate tax planning.

Kaydan's financial planning services typically involve the review of a client's overall financial situation, personal and financial goals, risk tolerance and objectives.

### ***Retirement Check-Up™***

Kaydan provides a comprehensive approach to the retirement planning. The retirement check up service includes a detailed retirement analysis, personalized risk tolerance profile and our corporate savings plan asset allocation, ongoing monitoring and management tool.

### ***Asset Monitoring***

Kaydan provides a quarterly assessment of the current economic environment and realigns the portfolio if necessary to take advantage of the present investment climate.

### ***Portfolio Monitoring Services***

The portfolio monitoring services include the following:

- Establishing investor goals;
- Developing an investment policy;
- Defining investment goals and the strategies required to attain them; and
- Making recommendations on asset allocation, selection of investments and a discussion of the specific portfolio adjustments needed.

Kaydan's portfolio monitoring services include an assessment of the Client's specific investment goals, objectives, risk tolerances as distinguished from those of other Clients, including all relevant financial data (including, employment, income, tax bracket, family obligations, etc.).

As of this filing, Kaydan currently monitors \$38,530,666 in client assets.

## **Item 5: Fees and Compensation**

### **Fees for Financial Planning Services:**

Fees for financial planning services are provided at a flat annual rate. Annual per person charges are dependent upon whether service is company paid or participant paid. No fee is paid more than six months in advance.

### **Fees for 401K Asset Monitoring Services:**

Fees are based on assets under advisement. The fee is .40% of the assets under advisement with a minimum fee of \$325.00 per year and a maximum fee of \$1,000.00 per year.

The \$325.00 fee is payable at initial engagement with the balance due in three equal installments which will be billed at the end of each quarter. No fee is paid more than six months in advance.

### **General Information on 401(k) Asset Monitoring Services/Fees**

1. All client accounts are invested in mutual funds, index and exchange-traded funds, stable value accounts (or similar securities). These securities carry additional fees and expenses (including advisory fees) that are charged in addition to Kaydan's fees. As a result, clients should evaluate all fees to ensure that the services received are reasonable from a total cost perspective.
2. Kaydan's fees may be negotiated.

**Termination of Advisory Relationship:** A client agreement may be cancelled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account, all unearned/unapplied fees will be promptly refunded and any earned, unpaid fees will be due and payable.

## **Item 6: Performance-based fees and Side-by-Side Management**

Kaydan does not charge any performance-based fees (fees based on a share of capital gains or capital appreciation of the client's assets).

## **Item 7: Types of Clients**

Kaydan provides financial planning and related portfolio monitoring services to individuals. The firm does not require Clients to maintain a minimum amount of assets.

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

Kaydan's investment approach is fundamental and most investments are in mutual funds or fixed/fixed indexed and/or variable annuity products. Fundamental analysis is defined as a general assessment based upon various factors including sale price, asset value, market structure and history. The main sources of research information used by Kaydan include: financial newspapers and magazines, research materials prepared by others, annual reports, prospectuses, filings with the SEC and company press releases. All investments carry an inherent risk of loss that clients should be prepared to bear. Questions regarding these risks should be addressed to firm president James Kruzan directly.

## **Item 9: Disciplinary Information**

Rule 206(4)-4 of the Investment Advisers Act of 1940 requires investment advisers to provide clients with disclosure as to any legal or disciplinary activities deemed material to the client's evaluation of the adviser. There is reporting available as to a customer complaint against the firm's principal, James Kruzan. However, no disciplinary action was taken. Please contact the firm directly for further information or visit the SEC's Investment Adviser Public Disclosure website for a review of same.

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

James B. Kruzan, owner of Kaydan Group, Inc. is separately licensed as a registered representative with Raymond James Financial Services, Inc. ("RJFS") a FINRA registered broker-dealer and like Kaydan, a SEC registered investment adviser. In his capacity as a registered representative, Mr. Kruzan is eligible to receive commission-based compensation. Such compensation is in addition to that earned from the advisory practice.

Mr. Kruzan is also a licensed insurance agent appointed by various insurance carriers, including Prudential, John Hancock and Blue Cross Blue Shield. In this capacity he is licensed in various states, (including Michigan) to sell or exchange insurance products (for Clients) or for RJFS clients on a commission-basis.

Clients should note that receipt of additional compensation itself serves to invite the potential for conflict of interest. However, Clients are under no obligation to act upon any recommendation of Mr. Kruzan. Clients are also no obligation to utilize the brokerage, extra-advisory, or insurance services of Mr. Kruzan in his capacity as an affiliate of RJFS.

Kaydan also offers ERISA compliant educational workshops. Fixed fees for workshops will run between \$90.00 and \$2,500.00 depending on the complexity and comprehensiveness of the topic discussed and the length of the presentation period.

Clients should also note that certain investment and insurance companies pay service fees to registered personnel for their part in servicing the investment post-sale. Again, the receipt of such compensation may invite the potential for conflict of interest. To counter any unfair or inappropriate activity, the firm has adopted a Code of Ethics. Please see Item 11 below.

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

**Code of Ethics:** Where the firm may receive compensation from a variety of sources involved with client accounts. The firm has an obligation to ensure that such practices are handled in a fair and ethical manner. Accordingly, the firm has adopted a Code of Ethics which contains certain policies and procedures that must be adhered-to by firm personnel. A copy of the firm's Code of Ethics will be provided to any client upon request.

**Participation or Interest in Client Transactions:** Kaydan or related persons, from time to time, purchase and sell, for their own personal accounts, securities identical to those recommended. To the extent that this practice creates a conflict of interest, firm personnel are prohibited from engaging in any activity that serve as detrimental to a client's account. Firm personnel are required to acknowledge this policy within the firm's code of ethics.

## **Item 12: Brokerage Practices**

As a registered representative of RJFS, Mr. Kruzan maintains the ability to manage client accounts held at RJFS. Accordingly, he will recommend RJFS to clients based upon his experience with the firm and his knowledge of its practices. Although Mr. Kruzan is deemed to have incentive to make such recommendations (see items 10 & 11 above), he is also readily familiar with the firm's operational capabilities. However, clients should note that similar brokerage services may be found elsewhere for less cost. In such cases, Mr. Kruzan may not be able to service said accounts. Pursuant to his registered standing with RJFS, Mr. Kruzan may be restricted from working with broker-dealers other than RJFS. Questions regarding this arrangement may be addressed with Mr. Kruzan directly.

In servicing client accounts, Mr. Kruzan may obtain or have access to various research, products, goods and other services as provided by RJFS. However, at no time will Mr. Kruzan cause a client's account to pay for such services in accordance with a soft dollar arrangement. All research, products, and other services are used for the benefit of all accounts where applicable.

Clients are encouraged to review all disclosure materials and statements for a full understanding of services and any associated costs. Questions related to same may be addressed with Mr. Kruzan directly.

#### **Item 13: Review of Accounts**

Portfolio monitoring of accounts takes place regularly by firm President James Kruzan. The computer system employed by the firm tracks the performance of a number of asset allocation model portfolios. Should an adjustment need to be made, Kaydan instructs clients as to the specific changes needed.

Clients are requested to notify the firm of changes to their personal financial situation-especially those that might adversely affect their investment plan.

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

Kaydan does not compensate others for client referrals. As mentioned previously in Item 10, James B. Kruzan is a licensed insurance agent and a registered representative of Raymond James Financial Services, Inc. Accordingly, Mr. Kruzan receives commission-based income for his work with same.

As a firm, Kaydan also offers ERISA compliant educational workshops. Fixed fees for workshops will run between \$90.00 and \$2,500.00 depending on the complexity and comprehensiveness of the topic discussed and the length of the presentation period.

#### **Item 15: Custody**

Kaydan does not maintain or accept custody of client funds or securities. All accounts are held custody with the respective broker-dealer or qualified custodian of record.

#### **Item 16: Investment Discretion**

Kaydan does not exercise investment discretion.

#### **Item 17: Voting Client Securities**

Kaydan does not vote proxies. All proxy statements are sent directly to the client by the broker-dealer, investment company, or transfer agent of record. Questions regarding such statements may be addressed directly with the firm.

#### **Item 18: Financial Information**

By law, investment advisers are required to disclose certain financial information about their financial condition to clients. Kaydan maintains no financial commitment (lawsuits, bankruptcies, etc.) that might impair its ability to meet contractual and fiduciary commitments to clients.

**Kaydan Group, Inc.  
d/b/a 401(K)aydan Group, Inc.**

**SEC # 801-54788  
CRD # 108964**

**James Brendan Kruzan  
CRD # 1094690**

329 W. Silver Lake Road  
Fenton, MI 48430  
Phone: (810) 593-1624  
Fax: (810) 593-1643  
[www.kaydangroup.com](http://www.kaydangroup.com)

**March 2011**

*This brochure provides information about the qualifications and business practices on the following individual as a representative of Kaydan Group, Inc., doing business as 401(K)aydan Group, Inc. This information is provided as a supplement to the Form ADV Part 2A which has been provided for your review. Should you have any questions about this supplement, or if you have not received the Form ADV Part 2A please contact the firm immediately.*

*The information in this brochure supplement has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Please note, where this brochure supplement may use the terms "registered investment adviser" and/or "registered", registration itself does not imply a certain level of skill or training.*

*Additional information about the firm and this representative is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)*

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

**Name:** James B. Kruzan, President and CCO.

**Year Born:** 1959

**Education:** Wayne State University, 1982  
Certified Financial Planner™ (CFP®)<sup>1</sup> 1995  
Chartered Retirement Planning Counselor (CRPC) 2010

**Business Experience:**

1996 to Present Kaydan Group, Inc., President and CCO

1987 to Present Raymond James Financial Services (formerly Investment Management & Research), Registered Representative

1985 to 1986 Prudential Bache, Registered Representative

## **Item 3: Disciplinary Information**

There is reporting available as to a customer complaint against the firm's principal, James Kruzan. However, no disciplinary action was taken. Please contact the firm or Mr. Kruzan directly for further information. Clients may also visit the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) for a review of same.

## **Items 4 & 5: Other Business Activity and Additional Compensation**

James B. Kruzan is a licensed insurance agent and a registered representative (RR) of Raymond James Financial Services, Inc. As a licensed insurance agent and RR he will receive commission income on the sale of such products. Mr. Kruzan spends less than 5% of his time selling insurance products and acting as a RR.

## **Item 6: Supervision**

Mr. Kruzan is the President and CCO of the firm and maintains the responsibility to supervise its ongoing operation. This supervision extends to the ongoing review of the firm's business practices and monitoring the advice given to clients. Questions related to the operation of the Firm may be directed to Mr. Kruzan at the phone number listed on the cover of this brochure supplement.

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<sup>1</sup> CFP®, Certified Financial Planner™, and Chartered Retirement Planning Counselor are certification marks owned by Certified Financial Planner Board of Standards, Inc. These marks are awarded to individuals who successfully complete the CFP Board's initial and ongoing certification requirements.