

# Kayan Securities, Inc.

## Form CRS(Customer Relationship Summary)

June 29, 2020

**I. Introduction:** Kayan Securities, Inc. is registered with the [SEC](#) (Securities and Exchange Commission) as a broker dealer and is a member of the [FINRA](#) (Financial Industry Regulatory Authority) and the [SIPC](#) (Securities Investor Protection Corporation). Kayan Securities, Inc. is not an investment adviser. Brokerage and investment advisory services and fees differ and it is important for you to understand these differences.

Free and simple tools are available to research firms and financial professionals at [www.investor.gov/CRS](http://www.investor.gov/CRS) which also provides educational materials about broker-dealers, investment advisers, and investing.

## II. Types of customer relationships and services

### *What investment services and advice can you provide me?*

We offer brokerage services to retail investors: **1. Account type recommendation:** There are many account types: *brokerage accounts* such as cash account, margin account, option account, or *retirement accounts* such as IRA, SEP, 401 K account, and rollover or assets transfer. We first assess your current situation and then make recommendations for the appropriate account type based on your circumstances.

**2. Principal brokerage services:** Principal brokerage services are execution services, including the buying and selling of securities based on your instructions, whether or not we offer recommendation to you.

**3. Securities products recommendation:** We first assess the securities product, and its potential risks, rewards, and costs of the recommended transaction or strategy. Then, we consider your investment profile such as your age, other investments, financial situation or needs, tax status, investment objective, past experience, investment time horizon, liquidity needs, risk tolerance, and any other information you may disclose to us. Finally, we decide whether the recommendation is in your best interest ahead of ours, then we make recommendations. However, you as the customer make the ultimate decision regarding to buy, sell, or hold any recommended investments.

**4. Account monitoring services:** Kayan Securities is not an investment adviser formed by the Advisors Act, although we may incidentally provide investment discretion and account monitoring services with your prior consent. However, we do not receive any special compensation in this case.

1) Investment Discretion: We can exercise a discretionary power over your account if you give prior written authorization to us. We review the discretionary account at frequent intervals to prevent transactions which are excessive in size or frequency in view of the financial resources and the character of the account.

2) Account monitoring:

- a) Agreed-upon limited monitoring: We may agree in writing to monitor your account on a periodic basis for the purposes of providing a buy, sell, or hold recommendation. However, this is not our standard service.
- b) Voluntary monitoring: We voluntarily, and without any agreement with you, can review the holdings in your account for the purposes of whether to make investment recommendations.

**Additional information:** The securities and transactions we recommend or make available in your account may be limited for a variety of reasons, including by our policies and procedures or applicable regulations.

**Conversation Starter,** Ask your financial professional----

--Given my financial situation, should I choose a brokerage service? Why or why not?

--How will you choose investments to recommend me?

--What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

### III. Fees, costs, conflicts of interest, and standard of conduct

#### ***What fees will I pay?***

You pay commission and fee. *You would be charged more when there are more trades in your accounts and that we may therefore have an incentive to encourage you trade often.*

Commission range for stocks, bonds, and ETFs is from minimum \$0.99 to maximum 5% of transaction amount depending on the expense of executing the order and the value of any service the investment professional may have rendered by reason of his experience in and knowledge of such security and the market therefor. For mutual funds and private placements, commission amount is specified in the prospectus or the offering circular (usually \$0 to 7.5% of the investment amount). For options, the commission rate is usually higher. Fee includes documents mailing fee, additional insurance fee, and SEC fee. If you use margin loan, you pay margin loan interest. There is a custodian fee for retirement accounts.

**You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.**

For additional information, please see [www.finra.org/rules-guidance/rulebooks/finra-rules/2121](http://www.finra.org/rules-guidance/rulebooks/finra-rules/2121).

**Conversation Starter,** Ask your financial professional----

--Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

#### ***What are your legal obligations to me when providing recommendations? How else does your firm make money and what conflicts of interest do you have?***

*When we provide you with a recommendation, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means: Proprietary Products, Third-Party Payments, Revenue Sharing, and Principal Trading.*

**Conversation Starter,** Ask your financial professional----

--How might your conflicts of interest affect me, how will you address them?

#### ***How do your financial professionals make money?***

They make money solely from commissions generated through transactions in their customers' accounts. There are some break points in the payout rates depending on the amounts of total commission they have generated.

### IV. Do you or your financial professionals have legal or disciplinary history?

Yes. Please visit [www.investor.gov/CRS](http://www.investor.gov/CRS) to research us and our financial professionals.

**Conversation Starter,** Ask your financial professional----

--As a financial professional, do you have any disciplinary history? For what type of conduct?

### V. How to obtain additional information about Kayan Securities, Inc.

Please go to: [www.kayansecurities.com](http://www.kayansecurities.com), call (213)739-0998, email to [yskim@kayansecurities.com](mailto:yskim@kayansecurities.com) or write to: Kayan Securities, Inc, 3460 Wilshire Blvd # 1110, Los Angeles, CA 90010.

**Conversation Starter,** Ask your financial professional----

--Who is my primary contact person? Is he or she a representative of Kayan Securities, Inc? Who can I talk to if I have concerns about how this person is treating me?