

Kahn Financial Group

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FORM ADV PART 2 BROCHURE

This brochure provides information about the qualifications and business practices of Kahn Financial Group. If you have any questions about the contents of this brochure, please contact us at 727-797-5551. 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 Kahn Financial Group is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Kahn Financial Group is 134802.

Kahn Financial Group is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

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Advisory Business

Form ADV Part 2A, Item 4

Kahn Financial Group (KFG) offers a range of investment advisory services. These services are based on an initial gathering of client information in order to understand the client's current circumstances and future goals. KFG has been in business since 1999 and is owned by David Kahn.

We offer comprehensive financial planning with a focus on retirement and estate planning. We request of the client the appropriate financial information, such as current income, assets and liabilities, tax information, etc. We then provide a concise written financial plan that analyzes whether or not the client is on target to reach his/her retirement goals, based on agreed upon assumptions regarding rates of return, inflation, etc.

We believe in customizing our advisory services based on the goals of each client, as well as the time frame in which we are operating and the risk tolerance of each individual. While we attempt to achieve an acceptable rate of return for each client, our strategies put a priority on staying within the risk tolerance of each client.

We do not use wrap fee programs in the implementation of our investment advice.

KFG chooses not to manage any assets on a discretionary basis. As of 12/31/2010, assets totaling \$49,300,000 were being managed on a non-discretionary basis.

Fees and Compensation

Form ADV Part 2A, Item 5

The fees KFG will charge for financial planning services are dependent on the anticipated time and complexity of the plan. The fees will be determined in advance and will be disclosed to the client before executing the Investment Advisory Agreement. Fees will rarely depart from the established fee schedule, but may do so in exceptional circumstances. It is possible a client will pay more or less for similar services than another client. If a client retains KFG on an hourly basis for plan development or consultation, the rate will range between \$100 to \$200 per hour (a lesser hourly fee may be charged for administrative and staff functions). If the client retains KFG to create a financial plan on a fixed fee basis, that fee will range between \$500 and \$4,000, depending on the complexity and comprehensiveness on the plan.

KFG provides investment advisory services using the Investment Management Program for Advisory Clients (IMPAC). This program provides the client with ongoing investment advice and monitoring of securities holdings. This is a fee based account offered and administered through Raymond James Financial Services (RJFS).

The fee schedule for IMPAC is as follows:

First \$200,000	1.75% per year
Next \$300,000	1.5% per year
Next \$4,500,000	1.0% per year
Over \$5,000,000	1.0% per year and negotiable

If a client maintains more than 20% of the account balance in cash or money market investments for more than one quarter, that amount will not be included in determining the quarterly fee. This fee billing provision is intended to equitably assess advisory fees to client assets for which an ongoing advisory service is being provided. The exclusion of excess cash from the advisory fee is intended to benefit clients holding substantial cash balances (as a percentage of the total account value) for an extended period of time. KFG may choose to waive the fee on ongoing cash balances it deems substantial, but which are below the 20% threshold. Fees

will rarely depart from the established fee schedule, but may do so in exceptional circumstances. It is possible a client will pay more or less for similar services than another client.

For those investors who meet the legally mandated net worth requirements to purchase it, private placement life insurance and/or variable annuity policies may be employed, if deemed of benefit to the investor based on the financial planning process. The fee schedule, based on the amount of dollars that are to be placed in such policies are as follows:

1.5% for the first \$10,000,000
1.0% for the next \$15,000,000
½% for the next \$25,000,000
¼% for any additional dollars

The minimum contribution to such a policy is \$1,000,000. Compensation is due in part upon the signing of a separate planning agreement specific to PPLI and/or PPVA and part at the acceptance of the financial plan. The time of payment and the fee itself are negotiable.

The annual asset-based fee is paid quarterly in arrears or in advance at the choice of the client. For accounts billed in arrears, the asset-based fee is calculated on the account asset value on the last business day of the quarter for the previous quarter. KFG has the option to bill any management fees on a pro-rata basis for deposits made during a quarter. For accounts billed in advance, the asset-based fee is billed when the account is opened for the remainder of the current billing period based on the initial contribution. Thereafter, the quarterly asset-based fee is paid in advance based on the account asset value on the last business day of the previous quarter and is due the following business day. The client authorizes and directs Raymond James & Associates (RJA) as Custodian, to deduct asset-based fees from the client's account. If the client prefers, he may choose to be billed each quarter for the fees due. If paid in a timely fashion, the fees will not be deducted from the client's account.

Additionally, there is a nominal processing fee for the execution of each trade as follows:

Security Type: Exchange Traded Equities: Listed & OTC, Closed End Mutual Funds, Exchange Traded Funds, Mutual Funds, Stocks: Listed & OTC and Preferred Stocks have a processing fee of \$30.00.

Options and Government, Corporate, Municipal & Mortgage Backed Bonds have a processing fee of \$50.00.

In addition to the foregoing transaction charge, clients may incur a nominal charge per transaction for handling and postage. The client may also incur charges for other account services provided by RJFS through RJA not directly related to the execution and clearing of transactions including, but not limited to, IRA custodial fees, safekeeping fees, interest charges on margin loans and fees for legal or courtesy transfers of securities. KFG does not share in any of these additional charges paid to RJFS.

Clients should be aware that all mutual funds and insurance products available under the IMPAC program have their own separate management fees and operating expenses, which are disclosed in their respective prospectuses.

If fees have been paid in advance and the Investment Management agreement is terminated by providing written notice, the client will receive a refund of the portion of the prepaid asset-based fee which has not been utilized. If a client terminates the agreement within the first five (5) business days of entering into the agreement, all prepaid fees will be refunded. The written notice of termination should be sent to:

Kahn Financial Group
1700 McMullen Booth Rd.
Suite A-5
Clearwater, FL 33759

While in most cases the investment advisor representative (IAR) invests the majority of client assets in mutual funds on a fee basis as described above, there are occasions when it is deemed appropriate to use other products that may pay a commission. This may compensate the IAR to a greater extent, which creates a potential conflict of interest. When making such recommendations, the different compensation aspects will be disclosed to the client so a fully informed decision can be made by the client.

When making cost comparisons, clients should be aware that the combination of multiple mutual fund investments, advisory services, custodial and brokerage services available through each program may not be available separately or may require multiple accounts, documentation and fees. If an account is actively traded or the client otherwise may not qualify for reduced sale charges for fund purchases, the fees may be less expensive than separately paying the sales charges and fees. If an account is not actively traded or the client otherwise would qualify for reduced sales charges, the fees in these programs may be more expensive than if utilized separately.

The client's IAR may have a financial incentive to recommend a fee-based program rather than paying for investment advisory services, brokerage, performance reporting and other services separately. A portion of the annual advisory fee is paid to the client's IAR, which may be more than the IAR would receive under an alternative program offering or if the client paid for these services separately. Therefore, the client's IAR may have a financial incentive to recommend a particular account program over another.

IARs do not receive a financial incentive to recommend and sell proprietary mutual funds versus non-proprietary funds. However, because compensation structures vary by product type, IARs may receive higher compensation for certain product types.

KFG believes the charges and fees offered within the fee-based program are competitive with alternative programs available through other firms and/or investment sources, yet makes no guarantee that the aggregate cost of a particular program is lower than that which may be available elsewhere.

Clients are free to execute any investment recommendations received from KFG at the broker of their choice and are not required to do so through KFG's broker RJFS.

Far less than 50% of the revenue of KFG is derived from commissions.

In certain instances with certain products a commission is paid initially and for the first year after that the normally applicable fee is waived.

Performance-Based Fees and Side-By-Side Management

Form ADV Part 2A, Item 6

KFG does not accept performance-based fees.

Types of Clients

Form ADV Part 2A, Item 7

KFG works primarily with individuals, but also with trusts as well as 401K plan providers.

Methods of Analysis, Investment Strategies and Risk of Loss

Form ADV Part 2A, Item 8

KFG believes that there is no investment without risk. Even a FDIC insured CD may have the risk of the loss of purchasing power over time. Mutual funds, stocks, bonds, alternative investments, etc., can all potentially lose some or all of the client's investment. As each client has a different tolerance for these risks, the first step in formulating investment advice or in managing assets is determining their specific risk tolerance as well as the time frame for the investment and the goal or goals for the investment. We use a basic risk tolerance questionnaire and follow that up with discussing the above points. We then align the various investments to the result of that analysis.

We believe that mutual funds generally provide an appropriate balance between risk and reward. We analyze each fund we recommend to clients using the data available through subscribing to Morningstar and also using the proprietary mutual fund research of RJFS, as well as by attending various conferences and meeting with fund representatives. We attempt to locate funds with managers that over a period of years often out-perform their peers and their respective indexes. We also believe that a portfolio that is broadly diversified may lower the overall level of risk. To that end, in addition to a core holding of mutual funds, we believe that using alternative investments, for those clients meeting the minimum net worth requirements, will add to the diversification of investment portfolio.

As it is very true that past performance is no guarantee whatsoever of future results, a mutual fund can lose a significant percentage of the funds being managed even if it has not happened in the past. Some alternative investments have varying levels of risk, some quite high with others moderate.

We do not engage in frequent trading. We are looking to achieve long term results while primarily avoiding speculative investments.

As mentioned above, we believe that while there is still significant risk in using mutual funds as the core holding, especially over a short period of time, the level of risk is moderated through diversification within each fund and through the use of several different funds with different investment objectives.

Disciplinary Information

Form ADV Part 2A, Item 9

There are not currently nor have there been in the past any legal or disciplinary events that would be material to a client's or prospective client's evaluation of the KFG advisory business or the integrity of our management.

Other Financial Industry Activities and Affiliations

Form ADV Part 2A, Item 10

The Investment Adviser Representatives of KFG are registered representatives of RJFS.

The registered representatives of RJFS may recommend RJFS to advisory clients for brokerage services. Registered representatives of RJFS are subject to FINRA rules that restrict them from conducting securities transactions away from RJFS. This creates a possible conflict of interests. Clients may utilize the broker dealer of their choice and have no obligation to purchase or sell securities through RJFS. It may be the case that RJFS charges a higher or a lower fee than another broker charges for a particular type of service such as transaction fees. If the client does not use RJFS, KFG reserves the right to not accept the account.

As a registered FINRA broker dealer, RJFS routes order flow through its affiliated broker dealer Raymond James & Associates, Inc. (RJA). RJA is obligated to seek best execution for all trades executed, but better executions may be available via another broker dealer based on a number of factors including volume, order flow and market timing activity.

The IARs of KFG are also licensed insurance agents with several insurance companies and conduct their insurance and annuity business through Raymond James Insurance Group (RJIG). If a client chooses to use an IAR in his individual capacity as an insurance agent, the individual IAR will receive a commission.

KFG does not recommend or select other investment advisers from which we receive compensation either directly or indirectly.

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

Form ADV Part 2A, Item 11

KFG has a Code of Ethics, which amongst other points, monitors the personal securities transactions of its employees, officers, directors and IARs. It sets forth standards of conduct and addresses potential conflicts of interest among Kahn Financial Group, its personnel and its advisory clients. Any client may request a copy of the KFG Code of Ethics. This may be done either by phone at 727-797-5551 or by mail at 1700 McMullen Booth RD. Suite A-5 Clearwater, FL 33759.

KFG does not have any material interest in any of the securities recommended to clients.

The IARs of KFG may invest in the same securities or related securities that they recommend to clients and may recommend securities at the same time that they are buying or selling the same securities. This could create a conflict of interest; however that is handled by giving priority to client accounts. In the case of mutual funds, the most common security being used for the clients of KFG, all trade prices are determined at the end of the day. Thus this would not create a conflict of interest.

Brokerage Practices

Form ADV Part 2A, Item 12

KFG receives proprietary RJFS research and third party research as a result of its affiliation with RJFS. This research is received as a benefit to KFG at no additional cost to KFG.

KFG does not have an incentive to recommend RJFS for the purpose of receiving this research.

Clients do not pay higher commissions for the purpose of KFG receiving this research.

The IARs of KFG are registered representatives of RJFS, a registered broker-dealer with FINRA, and may recommend RJFS to advisory clients for brokerage services. Registered representatives of RJFS are subject to NASD Conduct Rule 3040 that restricts them from conducting securities transactions away from RJFS. Therefore, clients are advised that such IARs are limited to conducting securities transactions through RJFS. It may be the case that RJFS charges a higher or lower fee than another broker charges for a particular type of service, such as transaction fees. Clients may utilize the broker dealer of their choice and have no obligation to purchase or sell securities through RJFS. However, if the client does not use RJFS, the IAR will reserve the right to not accept the account.

As a registered FINRA broker dealer, RJFS routes order flow through its affiliated broker dealer Raymond James & Associates, Inc. (RJA). RJA is obligated to seek best execution pursuant to NASD Rule 2320 for all trades executed, however, better executions may be available via another broker dealer based on a number of factors including volume, order flow and market making activity.

KFG does not aggregate trades as we do not manage clients' accounts on a discretionary basis. Each individual is contacted prior to any trade being executed.

Review of Accounts

Form ADV Part 2A, Item 13

Client accounts are reviewed at least annually and normally on a quarterly basis to determine if the current investments are performing in an acceptable way, taking into account market conditions at that time. David Kahn, as the Principal of KFG will perform the annual review of his personal clients as well as those of any other IAR at KFG and normally performs a review of his own clients on a quarterly basis.

Reviews will also be carried out if we become aware of any significant changes in any clients situation or if the economic or investment environment changes significantly in any manner that could necessitate a more timely review.

A monthly statement of all client accounts, including asset allocation, performance information and account gains, losses and balances will be sent out by Raymond James.

Client Referrals and Other Compensation

Form ADV Part 2A, Item 14

KFG may receive compensation in the form of sponsorship fees for seminars, meetings or conferences from RJFS and from product sponsors such as limited partnerships, mutual fund companies, insurance companies and annuity sponsors. In the case of product sponsors, such fees generally entitle the sponsor to an allotted presentation to the IARs of KFG. While this creates a potential conflict of interest, the providers of such benefits are given to understand that this creates no obligation on the part of KFG.

KFG does not compensate anyone for client referrals.

Custody

Form ADV Part 2A, Item 15

KFG does not have custody of client funds.

Investment Discretion

Form ADV Part 2A, Item 16

KFG does not accept discretionary authority to manage securities on behalf of clients.

Voting Client Securities

Form ADV Part 2A, Item 17

KFG does not have nor will accept authority to vote client securities.

Financial Information

Form ADV Part 2A, Item 18

KFG does not require or solicit prepayment of any fees.

Requirements for State-Registered Advisers

David Kahn is the sole executive officer and his formal education and business background is available in his Form ADV Part 2B brochure supplement.

Information regarding other business activities are available in the Form ADV Part 2B brochure supplement for David Kahn.

No one at KFG is compensated with performance-based fees.

No one at KFG has ever been found liable for any wrongdoing whatsoever.

There are no other relationships or arrangements, not already described elsewhere with any issuer of securities.