BrokerCheck Report

KAYAN SECURITIES, INC.

CRD# 156175

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When communicating online or investing with any professional, make sure you know who you're dealing with. Imposters might link to sites like BrokerCheck from phishing or similar scam websites, or through social media, trying to steal your personal information or your money.

Please contact FINRA with any concerns.

About BrokerCheck®

BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**
- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.
- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.
- **Where did this information come from?**
- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:
    - information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
    - information that regulators report regarding disciplinary actions or allegations against firms or brokers.
- **How current is this information?**
- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.
- **What if I want to check the background of an investment adviser firm or investment adviser representative?**
- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at https://www.adviserinfo.sec.gov. In the alternative, you may search the IAPD website directly or contact your state securities regulator at http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414.
- **Are there other resources I can use to check the background of investment professionals?**
- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.
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Thank you for using FINRA BrokerCheck.

Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at brokercheck.finra.org

For additional information about the contents of this report, please refer to the User Guidance or www.finra.org/brokercheck. It provides a glossary of terms and a list of frequently asked questions, as well as additional resources. For more information about FINRA, visit www.finra.org.

KAYAN SECURITIES, INC.

CRD# 156175

SEC# 8-68770

Main Office Location

3470 WILSHIRE BLVD, # 626
LOS ANGELES, CA 90010-3917
Regulated by FINRA Los Angeles Office

Mailing Address

3470 WILSHIRE BLVD, # 626
LOS ANGELES, CA 90010-3917

Business Telephone Number

213-739-0998

Report Summary for this Firm

This report summary provides an overview of the brokerage firm. Additional information for this firm can be found in the detailed report.

Firm Profile

This firm is classified as a corporation.

This firm was formed in California on 07/22/2009.

Its fiscal year ends in December.

Firm History

Information relating to the brokerage firm's history such as other business names and successions (e.g., mergers, acquisitions) can be found in the detailed report.

Firm Operations

This firm is registered with:

- the SEC
- 1 Self-Regulatory Organization
- 3 U.S. states and territories

Is this brokerage firm currently suspended with any regulator? **No**

This firm conducts 11 types of businesses.

This firm is not affiliated with any financial or investment institutions.

This firm has referral or financial arrangements with other brokers or dealers.

Disclosure Events

Brokerage firms are required to disclose certain criminal matters, regulatory actions, civil judicial proceedings and financial matters in which the firm or one of its control affiliates has been involved.

Are there events disclosed about this firm? **Yes**

The following types of disclosures have been reported:

Type	Count
Regulatory Event	1

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Firm Profile

This firm is classified as a corporation.

This firm was formed in California on 07/22/2009.

Its fiscal year ends in December.

Firm Names and Locations

This section provides the brokerage firm's full legal name, "Doing Business As" name, business and mailing addresses, telephone number, and any alternate name by which the firm conducts business and where such name is used.

KAYAN SECURITIES, INC.

Doing business as KAYAN SECURITIES, INC.

CRD# 156175

SEC# 8-68770

Main Office Location

3470 WILSHIRE BLVD, # 626
LOS ANGELES, CA 90010-3917

Regulated by FINRA Los Angeles Office

Mailing Address

3470 WILSHIRE BLVD, # 626
LOS ANGELES, CA 90010-3917

Business Telephone Number

213-739-0998

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Firm Profile

This section provides information relating to all direct owners and executive officers of the brokerage firm.

Direct Owners and Executive Officers

Legal Name & CRD# (if any):	KIM, YONG SOO 1747849
Is this a domestic or foreign entity or an individual?	Individual
Position	CEO, FINOP, DIRECTOR
Position Start Date	07/2026
Percentage of Ownership	75% or more
Does this owner direct the management or policies of the firm?	Yes
Is this a public reporting company?	No

Legal Name & CRD# (if any):	HAN, NICHOLAS SANGHYUNG 2929432
Is this a domestic or foreign entity or an individual?	Individual
Position	PRESIDENT, CO-CCO
Position Start Date	07/2026
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	No
Is this a public reporting company?	No

Legal Name & CRD# (if any):	KIM, JAEHWAN 2544922
Is this a domestic or foreign entity or an individual?	Individual
Position	PRESIDENT, CO-CCO

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Firm Profile

Direct Owners and Executive Officers (continued)

Position Start Date	08/2024
Percentage of Ownership	Less than 5%
Does this owner direct the management or policies of the firm?	No
Is this a public reporting company?	No

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Firm Profile

This section provides information relating to any indirect owners of the brokerage firm.

Indirect Owners

No information reported.

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Firm History

This section provides information relating to any successions (e.g., mergers, acquisitions) involving the firm.

No information reported.

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Firm Operations

Registrations

This section provides information about the regulators (Securities and Exchange Commission (SEC), self-regulatory organizations (SROs), and U.S. states and territories) with which the brokerage firm is currently registered and licensed, the date the license became effective, and certain information about the firm's SEC registration.

This firm is currently registered with the SEC, 1 SRO and 3 U.S. states and territories.

Federal Regulator	Status	Date Effective
SEC	Approved	11/28/2011

SEC Registration Questions

This firm is registered with the SEC as:

A broker-dealer: Yes

A broker-dealer and government securities broker or dealer: Yes

A government securities broker or dealer only: No

This firm has ceased activity as a government securities broker or dealer: No

Self-Regulatory Organization	Status	Date Effective
FINRA	Approved	11/28/2011

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Firm Operations

Registrations (continued)

U.S. States & Territories	Status	Date Effective
California	Approved	11/30/2011
Nevada	Approved	02/19/2015
Texas	Approved	03/14/2022

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Firm Operations

Types of Business

This section provides the types of business, including non-securities business, the brokerage firm is engaged in or expects to be engaged in.

This firm currently conducts 11 types of businesses.

Types of Business

Broker or dealer retailing corporate equity securities over-the-counter
Broker or dealer selling corporate debt securities
Underwriter or selling group participant (corporate securities other than mutual funds)
Mutual fund retailer
U S. government securities broker
Broker or dealer selling variable life insurance or annuities
Put and call broker or dealer or option writer
Broker or dealer selling tax shelters or limited partnerships in primary distributions
Broker or dealer selling tax shelters or limited partnerships in the secondary market
Non-exchange member arranging for transactions in listed securities by exchange member
Private placements of securities

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Firm Operations

Clearing Arrangements

This firm does not hold or maintain funds or securities or provide clearing services for other broker-dealer(s).

Introducing Arrangements

This firm does refer or introduce customers to other brokers and dealers.

Name:	WEDBUSH SECURITIES INC.
CRD #:	877
Business Address:	1000 WILSHIRE BLVD. LOS ANGELES, CA 90017-5621
Effective Date:	01/06/2010
Description:	KAYAN SECURITIES,INC. HAS A FULLY DISCLOSED CLEARING AGREEMENT WITH WEDBUSH SECURITIES, INC.

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Firm Operations

Industry Arrangements

This firm does have books or records maintained by a third party.

Name: GLOBAL RELAY COMMUNICATIONS INC

Business Address: 220 CAMBIE STREET, 2ND FLOOR
VANCOUVER, CANADA V6B 2M9

Effective Date: 05/04/2023

Description: THIRD PARTY ACCESS UNDERTAKING - SEC RULE 17A-4(F)(3)(V)(A) AND 17A-4(I)(1)(I).

Name: WEDBUSH SECURITIES INC.

CRD #: 877

Business Address: 1000 WILSHIRE BLVD
LOS ANGELES, CA 90017

Effective Date: 05/04/2023

Description: THIRD PARTY ACCESS UNDERTAKING PURSUANT TO RULE 17A-4(F)(3)(V)(A).

This firm does have accounts, funds, or securities maintained by a third party.

Name: WEDBUSH SECURITIES INC.

CRD #: 877

Business Address: 1000 WILSHIRE BLVD.
LOS ANGELES, CA 90017-5621

Effective Date: 01/06/2010

Description: KAYAN SECURITIES,INC. HAS A FULLY DISCLOSED CLEARING AGREEMENT WITH WEDBUSH SECURITIES, INC.

This firm does have customer accounts, funds, or securities maintained by a third party.

Name: WEDBUSH SECURITIES INC.

CRD #: 877

Business Address: 1000 WILSHIRE BLVD.
LOS ANGELES, CA 90017-5621

Effective Date: 01/06/2010

Description: KAYAN SECURITIES,INC. HAS A FULLY DISCLOSED CLEARING AGREEMENT WITH WEDBUSH SECURITIES, INC.

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Firm Operations

Industry Arrangements (continued)

Control Persons/Financing

This firm does not have individuals who control its management or policies through agreement.

This firm does not have individuals who wholly or partly finance the firm's business.

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Firm Operations

Organization Affiliates

This section provides information on control relationships the firm has with other firms in the securities, investment advisory, or banking business.

This firm is not, directly or indirectly:

- **in control of**
- **controlled by**
- **or under common control with**

the following partnerships, corporations, or other organizations engaged in the securities or investment advisory business.

This firm is not directly or indirectly, controlled by the following:

- **bank holding company**
- **national bank**
- **state member bank of the Federal Reserve System**
- **state non-member bank**
- **savings bank or association**
- **credit union**
- **or foreign bank**

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Disclosure Events

All firms registered to sell securities or provide investment advice are required to disclose regulatory actions, criminal or civil judicial proceedings, and certain financial matters in which the firm or one of its control affiliates has been involved. For your convenience, below is a matrix of the number and status of disclosure events involving this brokerage firm or one of its control affiliates. Further information regarding these events can be found in the subsequent pages of this report.

	Pending	Final	On Appeal
Regulatory Event	0	1	0

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Disclosure Event Details

What you should know about reported disclosure events:

1. **BrokerCheck provides details for any disclosure event that was reported in CRD. It also includes summary information regarding FINRA arbitration awards in cases where the brokerage firm was named as a respondent.**
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
   - A law enforcement agency must file formal charges before a brokerage firm is required to disclose a particular criminal event.
3. **Disclosure events in BrokerCheck reports come from different sources:**
   - Disclosure events for this brokerage firm were reported by the firm and/or regulators. When the firm and a regulator report information for the same event, both versions of the event will appear in the BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
4. **There are different statuses and dispositions for disclosure events:**
   - A disclosure event may have a status of *pending, on appeal,* or *final.*
     - A "pending" event involves allegations that have not been proven or formally adjudicated.
     - An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
     - A "final" event has been concluded and its resolution is not subject to change.
   - A final event generally has a disposition of *adjudicated, settled* or *otherwise resolved.*
     - An "adjudicated" matter includes a disposition by (1) a court of law in a criminal or civil matter, or (2) an administrative panel in an action brought by a regulator that is contested by the party charged with some alleged wrongdoing.
     - A "settled" matter generally involves an agreement by the parties to resolve the matter. Please note that firms may choose to settle customer disputes or regulatory matters for business or other reasons.
     - A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.
5. **You may wish to contact the brokerage firm to obtain further information regarding any of the disclosure events contained in this BrokerCheck report.**

Regulatory - Final

This type of disclosure event involves (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the U.S. Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of the authority of a brokerage firm or its control affiliate to act as an attorney, accountant or federal contractor.

Disclosure 1 of 1

Reporting Source:	Regulator
Current Status:	Final

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Allegations:

WITHOUT ADMITTING OR DENYING THE FINDINGS, THE FIRM AND KIM CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT FAILED TO ESTABLISH, MAINTAIN, AND ENFORCE A SUPERVISORY SYSTEM, INCLUDING WSPS, REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH THE SUITABILITY REQUIREMENTS OF FINRA RULE 2111 AND THE CARE OBLIGATION OF RULE 15L-1 OF THE SECURITIES EXCHANGE ACT OF 1934 (REGULATION BI OR REG BI) AS THEY PERTAIN TO EXCESSIVE TRADING. THE FINDINGS STATED THAT THE FIRM'S WSPS IDENTIFIED KIM AS THE DESIGNATED PRINCIPAL RESPONSIBLE FOR SUPERVISING FOR POTENTIALLY UNSUITABLE AND EXCESSIVE TRADING. THE FIRM'S SUPERVISORY SYSTEM FOR DETECTING AND INVESTIGATING POTENTIAL EXCESSIVE TRADING CONSISTED OF KIM REVIEWING REPRESENTATIVES' DAILY ORDER LOGS AND MONTHLY ACTIVE TRADING REPORTS HE RECEIVED FROM THE FIRM'S CLEARING FIRM. THE FINDINGS ALSO STATED THAT THE FIRM AND KIM FAILED TO REASONABLY SUPERVISE A REPRESENTATIVE. KIM WAS THE REPRESENTATIVE'S DIRECT SUPERVISOR AND WAS RESPONSIBLE FOR REVIEWING AND SUPERVISING HIS TRADING ACTIVITY AND AS SUCH IDENTIFIED, OR SHOULD HAVE IDENTIFIED, RED FLAGS INDICATING THAT THE REPRESENTATIVE WAS ENGAGED IN UNAUTHORIZED AND EXCESSIVE TRADING IN THE ACCOUNTS OF THREE CUSTOMERS, INCLUDING ONE WHO WAS A SENIOR, BUT FAILED TO REASONABLY RESPOND TO THESE RED FLAGS. THE FIRM'S CLEARING FIRM IDENTIFIED ONE ACCOUNT AS A PATTERN DAY TRADER, SUGGESTING A HIGH VOLUME OF DAILY TRADING. THE CLEARING FIRM ACTIVE TRADING REPORTS FOR THREE CONSECUTIVE YEARS INDICATED THAT THE THREE CUSTOMERS' ACCOUNTS HAD TURNOVER RATES ABOVE THE RECOGNIZED EXCESSIVE TRADING BENCHMARK. ONE CUSTOMER LOST $393,969 AS A RESULT OF THE REPRESENTATIVE'S TRADING ACTIVITY. THE REPRESENTATIVE DESIGNATED NEARLY ALL OF THE TRANSACTIONS AT ISSUE IN THE CUSTOMERS' ACCOUNTS AS "UNSOLICITED," INDICATING THAT EACH CUSTOMER HAD ASKED THE REPRESENTATIVE TO EXECUTE ALL THE SPECIFIC TRANSACTIONS IN THEIR ACCOUNTS. KIM FAILED TO REASONABLY RESPOND TO THESE RED FLAGS AND FAILED TO CONTACT THE CUSTOMERS AFTER THEY COMPLAINED TO THE FIRM OR REASONABLY INVESTIGATE THE TRADING ACTIVITY. WHEN SENIOR CUSTOMER'S ACCOUNT APPEARED ON THREE MONTHLY ACTIVE ACCOUNT REPORTS WITH A TURNOVER RATE ABOVE THE BENCHMARK, KIM SENT A LETTER TO THE CUSTOMER REGARDING HIS ACCOUNT ACTIVITY, TO WHICH THE CUSTOMER IMMEDIATELY RESPONDED AND COMPLAINED ABOUT UNAUTHORIZED TRADING. WHEN THE REPRESENTATIVE ADMITTED TO KIM THAT THAT HE HAD ENGAGED IN UNAUTHORIZED TRADING IN TWO CUSTOMER'S ACCOUNTS, THE FIRM FINED THE REPRESENTATIVE FOR UNAUTHORIZED TRADING, HOWEVER, CONDUCTED NO FURTHER INVESTIGATION AND ALLOWED THE

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REPRESENTATIVE TO CONTINUE TO TRADE IN OTHER CUSTOMERS' ACCOUNTS UNTIL HE WAS BARRED BY FINRA. AFTER THE REPRESENTATIVE WAS BARRED, THE OTHER CUSTOMER NOTIFIED THE FIRM THAT THE REPRESENTATIVE ENGAGED IN UNAUTHORIZED TRADING IN HIS ACCOUNT AS WELL. THE FINDINGS ALSO INCLUDED THAT THE FIRM FAILED TO DISCLOSE TO FINRA TWO CUSTOMER COMPLAINTS OR ITS CONCLUSION THAT THE PREVIOUSLY MENTIONED REPRESENTATIVE HAD ENGAGED IN UNAUTHORIZED TRADING. THE FIRM RECEIVED WRITTEN COMPLAINTS FROM THE CUSTOMERS THAT MET THE REQUIREMENTS FOR MANDATORY REPORTING UNDER RULE 4530(D). HOWEVER, THE FIRM NEVER REPORTED TO FINRA EITHER OF THESE CUSTOMERS' COMPLAINTS. THE FIRM CONCLUDED THAT THE REPRESENTATIVE HAD ENGAGED IN UNAUTHORIZED TRADING IN TWO CUSTOMER'S ACCOUNT, BASED, IN PART, ON THE REPRESENTATIVE'S ADMISSION THAT HE HAD DONE SO BUT FIRM FAILED TO REPORT TO FINRA THAT CONCLUSION. FINRA FOUND THAT THE FIRM FAILED TO UPDATE THE REPRESENTATIVE'S FORM U4 AND FORM U5. QUESTION 14I(3) OF FORM U4 AND QUESTION 7E(3) OF FORM U5 REQUIRE DISCLOSURE OF ANY WRITTEN CUSTOMER COMPLAINT THAT ALLEGES THAT THE PERSON WAS INVOLVED IN SALES PRACTICE VIOLATIONS, AND WHICH CONTAIN A CLAIM FOR COMPENSATORY DAMAGES OF AT LEAST $5,000. THE FIRM FAILED TO UPDATE THE REPRESENTATIVE'S FORM U4 AND FORM U5 TO REPORT THE THREE WRITTEN CUSTOMER COMPLAINTS IT RECEIVED ALLEGING SALES PRACTICE VIOLATIONS.

Initiated By: FINRA

Date Initiated: 05/16/2024

Docket/Case Number: 2019064935602

Principal Product Type: No Product

Other Product Type(s):

Principal Sanction(s)/Relief Sought:

Other Sanction(s)/Relief Sought:

Resolution: Acceptance, Waiver & Consent(AWC)

Resolution Date: 05/16/2024

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Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Sanctions Ordered:	Censure Disgorgement/Restitution
Other Sanctions Ordered:	FINRA IMPOSED PARTIAL RESTITUTION AND NO FINE AFTER CONSIDERING, AMONG OTHER THINGS, THE FIRM'S REVENUES AND FINANCIAL RESOURCES.
Sanction Details:	THE FIRM WAS CENSURED, ORDERED TO PAY $50,000, PLUS INTEREST, IN PARTIAL RESTITUTION TO CUSTOMERS, AND CERTIFY THAT IT HAS REMEDIATED THE ISSUES IDENTIFIED IN THE AWC AND IMPLEMENTED A SUPERVISORY SYSTEM, INCLUDING WSPS.

Reporting Source:	Firm
Current Status:	Final
Allegations:	1.FAILED TO ACHIEVE COMPLIANCE WITH THE SUPERVISORY REQUIREMENTS OF FINRA RULE 2111 AND SEC REG BI CARE OBLIGATION 2. FAILED TO SUPERVISE A FORMER RR'S UNAUTHORIZED AND EXCESSIVE TRADING 3. FAILED TO DISCLOSE TO FINRA THREE CUSTOMER COMPLAINTS 4. FAILED TO UPDATE THE FORMER RR'S FORM U4 AND FORM U5
Initiated By:	FINRA
Date Initiated:	05/16/2024
Docket/Case Number:	CASE# 2019064935602
Principal Product Type:	No Product
Other Product Type(s):	
Principal Sanction(s)/Relief Sought:	Restitution
Other Sanction(s)/Relief Sought:	CENCURE SUSPENSION UNDERTAKING
Resolution:	Acceptance, Waiver & Consent(AWC)
Resolution Date:	05/16/2024

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Sanctions Ordered:	Censure Monetary/Fine $5,000.00 Suspension
Other Sanctions Ordered:	RESTITUTION TO CUSTOMER UNDERTAKING
Sanction Details:	TO KAYAN: RESTITUTION TO CUSTOMER $50,000, CENSURE, AND UNDERTAKING OF CERTIFICATION OF REMEDIATION TO YONG SOO KIM: FINE $5,000, TWO-MONTH SUSPENSION IN ALL PRINCIPAL CAPACITIES, AND UNDERTAKING OF 20 HOURS CE REGARDING SUPERVISORY RESPONSIBILITIES, INCLUDING SUPERVISION RELATING TO UNAUTHORIZED AND EXCESSIVE TRADING.
Firm Statement	$50,000 RESTITUTION: 24 MONTHS INSTALLMENT PAYMENTS $5,000 FINE: ONE TIME PAYMENT ON 5/28/2024 SUSPENSION OF PRINCIPAL CAPACITIES: 6/17/2024 - 8/16/2024 CONTINUING EDUCATION: WILL TAKE 20 HOURS FROM 5/16/2024

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End of Report

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