

BrokerCheck Report

KENDALL J GROOM

CRD# 3100433

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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:

- o 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
- o 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.



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.](http://www.finra.org)

Thank you for using FINRA BrokerCheck.

KENDALL J. GROOM

CRD# 3100433

This broker is not currently registered.

Report Summary for this Broker

This report summary provides an overview of the broker's professional background and conduct. Additional information can be found in the detailed report.

Broker Qualifications

This broker is not currently registered.

This broker has passed:

- 0 Principal/Supervisory Exams
- 3 General Industry/Product Exams
- 2 State Securities Law Exams

Registration History

This broker was previously registered with the following securities firm(s):

- B INDEPENDENT FINANCIAL GROUP, LLC**
CRD# 7717
Fresno, CA
12/2016 - 08/2019
- B CETERA FINANCIAL SPECIALISTS LLC**
CRD# 10358
FRESNO, CA
11/1999 - 12/2016
- B H.D. VEST INVESTMENT SECURITIES, INC.**
CRD# 13686
DALLAS, TX
12/1998 - 11/1999

Disclosure Events

All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.

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

The following types of disclosures have been reported:

Type	Count
Regulatory Event	1

Investment Adviser Representative Information

The information below represents the individual's record as a broker. For details on this individual's record as an investment adviser representative, visit the SEC's Investment Adviser Public Disclosure website at

<https://www.adviserinfo.sec.gov>

Broker Qualifications



Registrations

This section provides the self-regulatory organizations (SROs) and U.S. states/territories the broker is currently registered and licensed with, the category of each license, and the date on which it became effective. This section also provides, for every brokerage firm with which the broker is currently employed, the address of each branch where the broker works.

This broker is not currently registered.



Broker Qualifications

Industry Exams this Broker has Passed

This section includes all securities industry exams that the broker has passed. Under limited circumstances, a broker may attain a registration after receiving an exam waiver based on exams the broker has passed and/or qualifying work experience. Any exam waivers that the broker has received are not included below.

This individual has passed 0 principal/supervisory exams, 3 general industry/product exams, and 2 state securities law exams.

Principal/Supervisory Exams

Exam	Category	Date
No information reported.		

General Industry/Product Exams

Exam	Category	Date
B Securities Industry Essentials Examination	SIE	10/01/2018
B General Securities Representative Examination	Series 7	04/24/2000
B Investment Company Products/Variable Contracts Representative Examination	Series 6	11/25/1998

State Securities Law Exams

Exam	Category	Date
IA Uniform Investment Adviser Law Examination	Series 65	12/27/1999
B Uniform Securities Agent State Law Examination	Series 63	09/04/1998

Additional information about the above exams or other exams FINRA administers to brokers and other securities professionals can be found at www.finra.org/brokerqualifications/registeredrep/.

Broker Qualifications



Professional Designations

This section details that the representative has reported **0** professional designation(s).

No information reported.



Registration and Employment History

Registration History

The broker previously was registered with the following firms:

Registration Dates	Firm Name	CRD#	Branch Location
B 12/2016 - 08/2019	INDEPENDENT FINANCIAL GROUP, LLC	7717	Fresno, CA
B 11/1999 - 12/2016	CETERA FINANCIAL SPECIALISTS LLC	10358	FRESNO, CA
B 12/1998 - 11/1999	H.D. VEST INVESTMENT SECURITIES, INC.	13686	DALLAS, TX

Employment History

This section provides up to 10 years of an individual broker's employment history as reported by the individual broker on the most recently filed Form U4.

Please note that the broker is required to provide this information only while registered with FINRA or a national securities exchange and the information is not updated via Form U4 after the broker ceases to be registered. Therefore, an employment end date of "Present" may not reflect the broker's current employment status.

Employment	Employer Name	Position	Investment Related	Employer Location
12/2016 - Present	INDEPENDENT FINANCIAL GROUP	REGISTERED REP	Y	FRESNO, CA, United States
09/1983 - Present	SELF-EMPLOYED	OTHER - SELF-EMPLOYED	N	FRESNO, CA, United States
07/2000 - 12/2016	CETERA INVESTMENT ADVISERS LLC	INVESTMENT ADVISER REPRESENTATIVE	Y	SCHAUMBURG, IL, United States
11/1999 - 11/2016	CETERA FINANCIAL SPECIALISTS LLC	REGISTERED REPRESENTATIVE	Y	SCHAUMBURG, IL, United States

Other Business Activities

This section includes information, if any, as provided by the broker regarding other business activities the broker is currently engaged in either as a proprietor, partner, officer, director, employee, trustee, agent or otherwise. This section does not include non-investment related activity that is exclusively charitable, civic, religious or fraternal and is recognized as tax exempt.

(1) BOARD OF DIRECTORS TREASURER FOR "FRESNO AREA CRIMESTOPPERS" A NON PROFIT SINCE 1992. NOT INVESTMENT RELATED. 1% TIME SPENT. BUSINESS CONDUCTED AT 7576 N INGRAM AVE FRESNO, CA 93711.

(2) CO-OWNER OF "DRITSAS, GROOM, MCCORMICK LLP" OFFERING CPA ACCOUNTING SERVICES SINCE 1980. NOT INVESTMENT RELATED. 50% TIME SPENT. BUSINESS CONDUCTED AT ADDRESS OF RECORD.

(3) BOARD OF DIRECTORS FOR "FRESNO METROPOLITAN FLOOD CONTROL DISTRICT" SINCE 1986. NON-INVESTMENT RELATED. 3% TIME SPENT. BUSINESS CONDUCTED AT 5469 E. OLIVE AVE FRESNO CA 93727. (4) OWNER OF NINE RENTAL PROPERTIES. NON-INVESTMENT RELATED. 1% TIME SPENT. BUSINESS CONDUCTED AT VARIOUS LOCATIONS IN CA AND ID.

Registration and Employment History



Other Business Activities, continued



Disclosure Events

What you should know about reported disclosure events:

1. All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
 - o A law enforcement agency must file formal charges before a broker is required to disclose a particular criminal event.
 - o A customer dispute must involve allegations that a broker engaged in activity that violates certain rules or conduct governing the industry and that the activity resulted in damages of at least \$5,000.
 - o
3. **Disclosure events in BrokerCheck reports come from different sources:**
 - o As mentioned at the beginning of this report, information contained in BrokerCheck comes from brokers, brokerage firms and regulators. When more than one of these sources reports information for the same disclosure event, all 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.
 - o
4. **There are different statuses and dispositions for disclosure events:**
 - o 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.
 - o 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 brokers and brokerage 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.

For your convenience, below is a matrix of the number and status of disclosure events involving this broker. Further information regarding these events can be found in the subsequent pages of this report. You also may wish to contact the broker to obtain further information regarding these events.

	Pending	Final	On Appeal
Regulatory Event	0	1	0



Disclosure Event Details

When evaluating this information, please keep in mind that a disclosure event may be pending or involve allegations that are contested and have not been resolved or proven. The matter may, in the end, be withdrawn, dismissed, resolved in favor of the broker, or concluded through a negotiated settlement for certain business reasons (e.g., to maintain customer relationships or to limit the litigation costs associated with disputing the allegations) with no admission or finding of wrongdoing.

This report provides the information exactly as it was reported to CRD and therefore some of the specific data fields contained in the report may be blank if the information was not provided to CRD.

Regulatory - Final

This type of disclosure event may involve (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulatory such as the Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of a broker's authority to act as an attorney, accountant, or federal contractor.

Disclosure 1 of 1

Reporting Source:	Regulator
Regulatory Action Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Sanction(s) Sought:	Cease and Desist
Date Initiated:	08/01/2019
Docket/Case Number:	3-19301
Employing firm when activity occurred which led to the regulatory action:	
Product Type:	No Product
Allegations:	SEC Admin Release 34-86540; IA Release 40-5313; Investment Company Release 40-33582, August 1, 2019: The SEC deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934, Sections 203(f) and 203(k) of the Investment Advisers Act of 1940, and Section 9(b) of the Investment Company Act of 1940 against Kendall J. Groom. In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission's jurisdiction over him



and the subject matter of these proceedings, which are admitted, and except as provided herein, Respondent consents to the entry of this Order Instituting Administrative and Cease-And-Desist Proceedings, Pursuant to Section 15(b) of the Securities and Exchange Act of 1934, Sections 203(f) And 203(k) of the Investment Advisers Act of 1940, and Section 9(b) of the Investment Company Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order. On the basis of this Order and Respondent's Offer, the Commission finds that this case involves misappropriation of investment advisory client funds by Groom, who at all relevant times was an investment adviser representative of a registered investment adviser and a registered representative of a registered broker-dealer. In January 2012, Groom became the trustee for two related trusts that had approximately \$6.6 million in assets. Groom also managed the investments for the trusts. From March 2012 through January 2016, Groom diverted approximately \$460,000 of the trusts' assets to brokerage, advisory, and bank accounts that he owned or controlled. This amount exceeded his disclosed trustee fees. As a result of this conduct, Groom willfully committed violations of Sections 206(1) and 206(2) of the Advisers Act.

Current Status:	Final
Resolution:	Order
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	Yes
Resolution Date:	08/01/2019
Sanctions Ordered:	Bar (Permanent) Cease and Desist Civil and Administrative Penalty(ies)/Fine(s) Disgorgement Monetary Penalty other than Fines Prohibition
If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?	Yes



(1) willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board, or to have been unable to comply with any provision of such Act, rule or regulation?

Yes

(2) willfully aided, abetted, counseled, commanded, induced, or procured the violation by any person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board? or

No



(3) failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation by such person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any such Acts, or any of the rules of the Municipal Securities Rulemaking Board?

No

Sanction 1 of 2

Sanction Type: Bar (Permanent)

Capacities Affected: Penny stock

Duration: Indefinite

Start Date: 08/01/2019

End Date:

Sanction 2 of 2

Sanction Type: Bar (Permanent)

Capacities Affected: Any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or NRSRO

Duration: Indefinite

Start Date: 08/01/2019

End Date:

Monetary Sanction 1 of 3

Monetary Related Sanction: Disgorgement

Total Amount: \$262,498.95

Portion Levied against individual: \$262,498.95

**Payment Plan:****Is Payment Plan Current:****Date Paid by individual:****Was any portion of penalty waived?** No**Amount Waived:****Monetary Sanction 2 of 3****Monetary Related Sanction:** Monetary Penalty other than Fines**Total Amount:** \$38,489.50**Portion Levied against individual:** \$38,489.50**Payment Plan:** prejudgment interest**Is Payment Plan Current:****Date Paid by individual:****Was any portion of penalty waived?** No**Amount Waived:****Monetary Sanction 3 of 3****Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)**Total Amount:** \$185,000.00**Portion Levied against individual:** \$185,000.00**Payment Plan:****Is Payment Plan Current:****Date Paid by individual:****Was any portion of penalty waived?** No**Amount Waived:****Regulator Statement**

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Groom's Offer. Accordingly, pursuant to Section 15(b) of the Exchange Act, Sections 203(f) and



203(k) of the Advisers Act, and Section 9(b) of the Investment Company Act, it is hereby ordered that: Groom cease and desist from committing or causing any violations and any future violations of Sections 206(1) and 206(2) of the Advisers Act; be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization ("NRSRO"); prohibited from serving or acting as an employee, officer, director, member of an advisory board, investment adviser or depositor of, or principal underwriter for, a registered investment company or affiliated person of such investment adviser, depositor, or principal underwriter; and barred from participating in any offering of a penny stock, with the right to apply for reentry after five years to the appropriate self-regulatory organization, or if there is none, to the Commission. Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors. Respondent shall, within 20 days of the entry of this Order, pay disgorgement of \$262,498.95, prejudgment interest of \$38,489.50, and a civil penalty of \$185,000 to the SEC.

Reporting Source:	Firm
Regulatory Action Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Sanction(s) Sought:	Bar Cease and Desist Civil and Administrative Penalty(ies)/Fine(s) Disgorgement Monetary Penalty other than Fines Prohibition
Date Initiated:	08/01/2019
Docket/Case Number:	3-19301
Employing firm when activity occurred which led to the regulatory action:	Cetera Financial Specialists LLC
Product Type:	No Product
Allegations:	SEC Admin Release 34-86540; IA Release 40-5313; Investment Company Release 40-33582, August 1, 2019: The SEC deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934, Sections 203(f) and 203(k) of the Investment Advisers Act of 1940, and Section 9(b) of the Investment Company Act of 1940 against Kendall J. Groom. In



anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission's jurisdiction over him and the subject matter of these proceedings, which are admitted, and except as provided herein, Respondent consents to the entry of this Order Instituting Administrative and Cease-And-Desist Proceedings, Pursuant to Section 15(b) of the Securities and Exchange Act of 1934, Sections 203(f) And 203(k) of the Investment Advisers Act of 1940, and Section 9(b) of the Investment Company Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order. On the basis of this Order and Respondent's Offer, the Commission finds that this case involves misappropriation of investment advisory client funds by Groom, who at all relevant times was an investment adviser representative of a registered investment adviser and a registered representative of a registered broker-dealer. In January 2012, Groom became the trustee for two related trusts that had approximately \$6.6 million in assets. Groom also managed the investments for the trusts. From March 2012 through January 2016, Groom diverted approximately \$460,000 of the trusts' assets to brokerage, advisory, and bank accounts that he owned or controlled. This amount exceeded his disclosed trustee fees. As a result of this conduct, Groom willfully committed violations of Sections 206(1) and 206(2) of the Advisers Act.

Current Status:	Final
Resolution:	Order
Resolution Date:	08/01/2019
Sanctions Ordered:	Bar (Permanent) Cease and Desist Civil and Administrative Penalty(ies)/Fine(s) Disgorgement Monetary Penalty other than Fines Prohibition
If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?	Yes



(1) willfully violated any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board, or to have been unable to comply with any provision of such Act, rule or regulation?

Yes

(2) willfully aided, abetted, counseled, commanded, induced, or procured the violation by any person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any of such Acts, or any of the rules of the Municipal Securities Rulemaking Board? or

No



(3) failed reasonably to supervise another person subject to your supervision, with a view to preventing the violation by such person of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule or regulation under any such Acts, or any of the rules of the Municipal Securities Rulemaking Board?

No

Sanction 1 of 1**Sanction Type:**

Bar (Permanent)

Capacities Affected:

Any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or NRSRO Duration

Duration:

Indefinite

Start Date:

08/01/2019

End Date:**Monetary Sanction 1 of 3****Monetary Related Sanction:**

Disgorgement

Total Amount:

\$262,498.95

Portion Levied against individual:

\$262,498.95

Payment Plan:**Is Payment Plan Current:****Date Paid by individual:****Was any portion of penalty waived?**

No

Amount Waived:



Monetary Sanction 2 of 3

Monetary Related Sanction: Monetary Penalty other than Fines

Total Amount: \$38,489.50

Portion Levied against individual: \$38,489.50

Payment Plan:

Is Payment Plan Current:

Date Paid by individual:

Was any portion of penalty waived? No

Amount Waived:

Monetary Sanction 3 of 3

Monetary Related Sanction: Civil and Administrative Penalty(ies)/Fine(s)

Total Amount: \$185,000.00

Portion Levied against individual: \$185,000.00

Payment Plan:

Is Payment Plan Current:

Date Paid by individual:

Was any portion of penalty waived? No

Amount Waived:

Firm Statement

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Groom's Offer. Accordingly, pursuant to Section 15(b) of the Exchange Act, Sections 203(f) and 203(k) of the Advisers Act, and Section 9(b) of the Investment Company Act, it is hereby ordered that: Groom cease and desist from committing or causing any violations and any future violations of Sections 206(1) and 206(2) of the Advisers Act; be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization ("NRSRO"); prohibited from serving or acting as an employee, officer, director, member of an advisory board, investment adviser or depositor of, or principal underwriter for, a registered investment company or affiliated person of such investment adviser, depositor, or principal



underwriter; and barred from participating in any offering of a penny stock, with the right to apply for reentry after five years to the appropriate self-regulatory organization, or if there is none, to the Commission. Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors. Respondent shall, within 20 days of the entry of this Order, pay disgorgement of \$262,498.95, prejudgment interest of \$38,489.50, and a civil penalty of \$185,000 to the SEC.

End of Report



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