BrokerCheck Report

KRISTOPHER CHARLES KESSLER

CRD# 4543640

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.

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.

KRISTOPHER C. KESSLER

CRD# 4543640

Currently employed by and registered with the following Firm(s):

IA **ASSET STRATEGIES, INC**
4722 MAIN ST.
LISLE, IL 60532
CRD# 104512
Registered with this firm since: 09/11/2023

IA **CHICAGO CAPITAL MANAGEMENT ADVISORS, LLC**
910 S El Camino Real, #200
San Clemente, CA 92672
CRD# 123483
Registered with this firm since: 10/12/2020

B **AMERICAN TRUST INVESTMENT SERVICES, INC.**
910 S El Camino Real
#200
San Clemente, CA 92672
CRD# 3001
Registered with this firm since: 07/07/2020

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 registered with:

- 1 Self-Regulatory Organization
- 8 U.S. states and territories

This broker has passed:

- 1 Principal/Supervisory Exam
- 4 General Industry/Product Exams
- 1 State Securities Law Exam

Registration History

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

IA **ASSET STRATEGIES, INC**
CRD# 104512
LISLE, IL
07/2023 - 12/2024

IA **WESTPARK CAPITAL, INC.**
CRD# 39914
LOS ANGELES, CA
07/2016 - 06/2020

B **WESTPARK CAPITAL, INC.**
CRD# 39914
Newport Beach, CA
07/2016 - 06/2020

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	2

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 individual is currently registered with 1 SRO and is licensed in 8 U.S. states and territories through his or her employer.

Employment 1 of 3

Firm Name: **AMERICAN TRUST INVESTMENT SERVICES, INC.**

Main Office Address: **910 S EL CAMINO REAL SUITE 200**
SAN CLEMENTE, CA 92672

Firm CRD#: **3001**

	SRO	Category	Status	Date
B	FINRA	General Securities Principal	Approved	07/07/2020
B	FINRA	General Securities Representative	Approved	07/07/2020
B	FINRA	Investment Banking Principal	Approved	07/07/2020
B	FINRA	Investment Banking Representative	Approved	07/07/2020
B	FINRA	Operations Professional	Approved	07/07/2020

	U.S. State/ Territory	Category	Status	Date
B	California	Agent	Approved	07/07/2020
B	Illinois	Agent	Approved	12/18/2020
B	New Mexico	Agent	Approved	12/10/2025

Branch Office Locations

AMERICAN TRUST INVESTMENT SERVICES, INC.
910 S El Camino Real
#200
San Clemente, CA 92672

Broker Qualifications

Employment 2 of 3

Firm Name: **ASSET STRATEGIES, INC**

Main Office Address: **4722 MAIN ST.**
LISLE, IL 60532

Firm CRD#: **104512**

	U.S. State/ Territory	Category	Status	Date
IA	Florida	Investment Adviser Representative	Approved - Pending IAR CE	09/11/2023
IA	Illinois	Investment Adviser Representative	Approved - Pending IAR CE	03/14/2025
IA	Indiana	Investment Adviser Representative	Approved	02/04/2025
IA	Ohio	Investment Adviser Representative	Approved	01/30/2025

Branch Office Locations

4722 MAIN ST.
LISLE, IL 60532

Employment 3 of 3

Firm Name: **CHICAGO CAPITAL MANAGEMENT ADVISORS, LLC**

Main Office Address: **4722 MAIN STREET**
LISLE, IL 60532

Firm CRD#: **123483**

	U.S. State/ Territory	Category	Status	Date
IA	California	Investment Adviser Representative	Approved - Pending IAR CE	10/12/2020
IA	North Carolina	Investment Adviser Representative	Approved	10/13/2020
IA	Texas	Investment Adviser Representative	Approved	12/21/2022

Broker Qualifications

Employment 3 of 3, continued
Branch Office Locations

4722 MAIN STREET
LISLE, IL 60532

910 S El Camino Real, #200
San Clemente, CA 92672

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. A passed exam or exam waiver does not permit a broker to do business without an active SRO or state registration.

This individual has passed 1 principal/supervisory exam, 4 general industry/product exams, and 1 state securities law exam.

Principal/Supervisory Exams

	Exam	Category	Date
B	General Securities Principal Examination	Series 24	07/28/2005

General Industry/Product Exams

	Exam	Category	Date
B	Investment Banking Registered Representative Examination	Series 79TO	01/02/2023
B	Operations Professional Examination	Series 99TO	01/02/2023
B	Securities Industry Essentials Examination	SIE	10/01/2018
B	General Securities Representative Examination	Series 7	09/06/2002

State Securities Law Exams

	Exam	Category	Date
B IA	Uniform Combined State Law Examination	Series 66	10/01/2002

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.

Only professional designations listed in Question 8 of the Form U4 will appear in this section if the appropriate box is checked and verified by the issuing organization at the time of the filing. Learn more about eligible designations at IARD and NASAA.

Registration and Employment History

Registration History

The broker previously was registered with the following firms:

	Registration Dates	Firm Name	CRD#	Branch Location
IA	07/2023 - 12/2024	ASSET STRATEGIES, INC	104512	LISLE, IL
IA	07/2016 - 06/2020	WESTPARK CAPITAL, INC.	39914	Newport Beach, CA
B	07/2016 - 06/2020	WESTPARK CAPITAL, INC.	39914	Newport Beach, CA
IA	09/2007 - 08/2016	NEWPORT COAST ASSET MANAGEMENT	16944	IRVINE, CA
B	09/2007 - 08/2016	NEWPORT COAST SECURITIES, INC.	16944	IRVINE, CA
IA	05/2005 - 06/2007	BROOKSTREET CAPITAL MANAGEMENT	14667	IRVINE, CA
B	05/2005 - 06/2007	BROOKSTREET SECURITIES CORPORATION	14667	IRVINE, CA
B	03/2004 - 05/2005	WM FINANCIAL SERVICES, INC.	599	IRVINE, CA
IA	03/2004 - 05/2005	WM FINANCIAL SERVICES, INC.	599	IRVINE, CA
B	06/2003 - 02/2004	WM FINANCIAL SERVICES, INC.	599	IRVINE, CA
IA	06/2003 - 02/2004	WM FINANCIAL SERVICES, INC.	599	SAN DIEGO, CA
IA	10/2002 - 06/2003	AMERICAN EXPRESS FINANCIAL ADVISORS, INC.	6363	SAN DIEGO, CA
B	09/2002 - 06/2003	AMERICAN EXPRESS FINANCIAL ADVISORS INC.	6363	MINNEAPOLIS, MN
B	09/2002 - 06/2003	IDS LIFE INSURANCE COMPANY	6321	MINNEAPOLIS, MN

Employment History

Registration and Employment History

Employment History, continued

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
07/2020 - Present	American Trust Investment Services, Inc.	President	Y	Newport Beach, CA, United States
07/2016 - 06/2020	WestPark Capital Inc	Supervisor	Y	Los Angeles, CA, 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.

AmTru Ventures Manager, LLC; Started 03/2024; Managing Member; approximately 1-2 hrs /mo; may occur during market hours. This entity manages AmTru Figure Ventures LP and AmTru Sandbox Ventures LP.
AmTru Fund Management LLC 10/31/2025 - Present. Amtru Fund Management LLC is the manager for American Trust's approved SPV, Amtru AI Inference Ventures, LLC and Amtru Medical Devices Ventures LLC. Mr. Kessler is a 50% owner/manager of AmTru Fund Management, LLC., located at 910 S. Camino Real, Ste. 200, San Clemente, CA 92672. In his capacity as fund manager, Mr. Kessler may spend up to 30 hours per month, of which some or all can be during regular business hours, in managing an SPV. This is an invested related activity.

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:**
   - A law enforcement agency must file formal charges before a broker is required to disclose a particular criminal event.
   - 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.
   -
3. **Disclosure events in BrokerCheck reports come from different sources:**
   - 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.
   -
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 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	2	0

Disclosure Event Details

When evaluating this information, please keep in mind that a discloure 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 2

Reporting Source:	Regulator
Regulatory Action Initiated By:	FINRA
Sanction(s) Sought:	
Date Initiated:	07/31/2024
Docket/Case Number:	2022075481501
Employing firm when activity occurred which led to the regulatory action:	WestPark Capital, Inc.
Product Type:	No Product
Allegations:	Without admitting or denying the findings, Kessler consented to the sanctions and to the entry of findings that he engaged in an OBA without providing prior written notice to his member firm. The findings stated that Kessler helped to create and operate a financial technology company with another firm representative. The company's Operating Agreement identified Kessler as a member, and he also served as its Chief Marketing Officer. For his role, Kessler received a five percent interest in the company. In addition, Kessler completed annual compliance questionnaires in which he falsely denied engaging in any business activities outside of the firm.
Current Status:	Final

Resolution:	Acceptance, Waiver & Consent(AWC)
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Resolution Date:	07/31/2024
Sanctions Ordered:	Civil and Administrative Penalty(ies)/Fine(s) Suspension
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?	No
(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?	

(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

(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?

Sanction 1 of 1

Sanction Type:	Suspension
Capacities Affected:	All Capacities
Duration:	One month
Start Date:	08/19/2024
End Date:	09/18/2024

Monetary Sanction 1 of 1

Monetary Related Sanction:	Civil and Administrative Penalty(ies)/Fine(s)
Total Amount:	$5,000.00
Portion Levied against individual:	$5,000.00
Payment Plan:	
Is Payment Plan Current:	
Date Paid by individual:	08/18/2024
Was any portion of penalty waived?	No
Amount Waived:	

Reporting Source:	Broker
Regulatory Action Initiated By:	FINRA
Sanction(s) Sought:	
Date Initiated:	07/31/2024
Docket/Case Number:	2022075481501
Employing firm when activity occurred which led to the regulatory action:	Westpark Capital, Inc.
Product Type:	No Product
Allegations:	Without admitting or denying the findings, Kessler consented to the sanctions and to the entry of findings that he engaged in an OBA without providing prior written notice to his member firm. The findings stated that Kessler helped to create and operate a financial technology company with another firm representative. The company's Operating Agreement identified Kessler as a member, and he also served as its Chief Marketing Officer. For his role, Kessler received a five percent interest in the company. In addition, Kessler completed annual compliance questionnaires in which he falsely denied engaging in any business activities outside of the firm.
Current Status:	Final

Resolution:	Acceptance, Waiver & Consent(AWC)
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Resolution Date:	07/31/2024
Sanctions Ordered:	Civil and Administrative Penalty(ies)/Fine(s) Suspension
Sanction 1 of 1	
Sanction Type:	Suspension
Capacities Affected:	All Capacities
Duration:	One Month
Start Date:	08/19/2024
End Date:	09/18/2024
Monetary Sanction 1 of 1	
Monetary Related Sanction:	Civil and Administrative Penalty(ies)/Fine(s)
Total Amount:	$5,000.00
Portion Levied against individual:	$5,000.00
Payment Plan:	
Is Payment Plan Current:	
Date Paid by individual:	08/18/2024
Was any portion of penalty waived?	No
Amount Waived:	

Disclosure 2 of 2

Reporting Source:	Regulator
Regulatory Action Initiated By:	FINRA

Sanction(s) Sought:	Other: N/A
Date Initiated:	12/19/2014
Docket/Case Number:	2010025708501
Employing firm when activity occurred which led to the regulatory action:	NEWPORT COAST SECURITIES, INC.
Product Type:	No Product
Allegations:	KESSLER WAS NAMED A RESPONDENT IN A FINRA COMPLAINT ALLEGING THAT HE AND HIS MEMBER FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND RULES AND BY FAILING TO ENFORCE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES (WSPS) WITH RESPECT TO A (FORMER) FIRM REGISTERED REPRESENTATIVE AND HIS BUSINESS ACTIVITIES. THE COMPLAINT ALLEGES THAT THE FORMER REPRESENTATIVE FACILITATED A PRIVATE SECURITIES TRANSACTION BY CAUSING AN ELDERLY CUSTOMER'S SECURITIES TO BE TRANSFERRED FROM THE CUSTOMER'S ACCOUNT AT THE FIRM TO AN ACCOUNT CONTROLLED BY THE FORMER REPRESENTATIVE AT THE FIRM WITHOUT THE CUSTOMER'S APPROVAL. KESSLER, ACTING IN HIS ROLE AS THE FIRM'S CHIEF OPERATIONS OFFICER AND/OR COMPLIANCE MANAGER, ON BEHALF OF THE FIRM, APPROVED THE OPENING OF THE ACCOUNT INTO WHICH THESE SECURITIES WERE DEPOSITED, AND ALSO REVIEWED AND APPROVED THE ACTUAL TRANSFER OF THE CUSTOMER'S SECURITIES INTO THE FORMER REPRESENTATIVE-CONTROLLED ACCOUNT AT THE FIRM, DESPITE THE FACT THAT THE WSPS PROHIBITED ITS REPRESENTATIVES FROM PARTICIPATING IN PRIVATE SECURITIES TRANSACTIONS, THE TRANSACTION DID NOT COMPLY WITH NASD RULE 3040(C), AND OTHER WSPS WERE NOT ADHERED TO SUCH AS THE PROHIBITION AGAINST TRANSFERRING CUSTOMER SECURITIES INTO AN EMPLOYEE-CONTROLLED ACCOUNT. THE FIRM FAILED TO RECORD THE TRANSACTION IN ITS BOOKS AND RECORDS AND IT, ALONG WITH KESSLER, DID NOT SUPERVISE THE FORMER REPRESENTATIVE'S PARTICIPATION IN THE TRANSACTION, WHICH WAS DONE WITHOUT THE APPROVAL OR AUTHORIZATION OF THE ELDERLY CUSTOMER. NO ONE FROM THE FIRM (OTHER THAN THE FORMER REPRESENTATIVE) CONTACTED THE CUSTOMER REGARDING THIS TRANSACTION. THE COMPLAINT ALSO ALLEGES THAT THE FIRM AND KESSLER'S FAILURE TO ADEQUATELY SUPERVISE THE PRIVATE SECURITIES TRANSACTION AND TO ENFORCE THE FIRM'S OWN WSPS AND THEIR FAILURE TO MAKE REASONABLE INQUIRIES OR OTHERWISE FOLLOW UP ON NUMEROUS RED

FLAGS ENABLED THE FORMER REPRESENTATIVE TO MAKE IMPROPER USE OF THE CUSTOMER'S SECURITIES AND PROCEEDS TO FACILITATE THE PRIVATE SECURITIES TRANSACTION AND ENRICH HIMSELF AT THE CUSTOMER'S EXPENSE.

Current Status:	Final
Resolution:	Decision & Order of Offer of Settlement
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Resolution Date:	09/09/2015
Sanctions Ordered:	Civil and Administrative Penalty(ies)/Fine(s) Suspension
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?	No
(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?	

(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

(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?

Sanction 1 of 1

Sanction Type:	Suspension
Capacities Affected:	Principal
Duration:	10 business days
Start Date:	10/05/2015
End Date:	10/16/2015

Monetary Sanction 1 of 1

Monetary Related Sanction:	Civil and Administrative Penalty(ies)/Fine(s)
Total Amount:	$5,000.00
Portion Levied against individual:	$5,000.00
Payment Plan:	Joint and Several
Is Payment Plan Current:	
Date Paid by individual:	
Was any portion of penalty waived?	No
Amount Waived:	
Regulator Statement	Without admitting or denying the allegations, Kessler consented to the sanctions and to the entry of findings that he and his member firm failed to establish and maintain a supervisory system reasonably designed to achieve compliance with applicable securities laws, regulations and rules and by failing to enforce the firm's WSPs with respect to the firm's former registered representative and the former registered representative's business activities. The findings stated that the former registered representative facilitated a private securities transaction by causing an elderly customer's securities to be transferred from the customer's account at the firm to an account controlled by the former registered representative at the firm without the customer's approval. The findings also stated that Kessler, acting in his role as the firm's Chief Operations Officer (COO) and/or compliance manager, on behalf of the firm, approved the opening of the account into which these securities were deposited, and also reviewed and approved the actual transfer of the customer's securities into the former registered representative -controlled account at the firm, despite the fact that the WSPs prohibited its representatives from participating in private securities transactions. The findings also included that Kessler did not supervise the former registered representative's participation in the transaction. No one from the firm (other than the former registered representative) contacted the customer regarding this transaction. FINRA found that Kessler and the firm failed to act reasonably to supervise the former registered representative. FINRA also found that Kessler and the firm failed to adequately supervise the private securities transaction and to enforce the firm's own WSPs and their failure to make reasonable inquires or otherwise follow-up on numerous red flags enabled the former registered representative to make improper use of the customer's securities and proceeds to facilitate the private securities transaction and enrich himself at the customer's expense.

Reporting Source:	Broker
Regulatory Action Initiated By:	FINRA
Sanction(s) Sought:	Civil and Administrative Penalty(ies)/Fine(s) Suspension
Date Initiated:	12/23/2014
Docket/Case Number:	2010025708501
Employing firm when activity occurred which led to the regulatory action:	NEWPORT COAST SECURITIES, INC.
Product Type:	No Product
Allegations:	ALLEGED THAT THE RESPONDENT AND HIS MEMBER FIRM FAILED TO ESTABLISH AND MAINTAIN A SUPERVISORY SYSTEM REASONABLY DESIGNED TO ACHIEVE COMPLIANCE WITH APPLICABLE SECURITIES LAWS, REGULATIONS AND RULES AND BY FAILING TO ENFORCE THE FIRM'S WRITTEN SUPERVISORY PROCEDURES WITH RESPECT TO A FORMER FIRM REGISTERED REPRESENTATIVE AND HIS BUSINESS ACTIVITIES.
Current Status:	Final
Resolution:	Decision & Order of Offer of Settlement
Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?	No
Resolution Date:	09/09/2015
Sanctions Ordered:	Civil and Administrative Penalty(ies)/Fine(s) Suspension
Sanction 1 of 1	
Sanction Type:	Suspension
Capacities Affected:	PRINCIPAL
Duration:	10 BUSINESS DAYS
Start Date:	10/05/2015

End Date:	10/16/2015
Monetary Sanction 1 of 1	
Monetary Related Sanction:	Civil and Administrative Penalty(ies)/Fine(s)
Total Amount:	$5,000.00
Portion Levied against individual:	$5,000.00
Payment Plan:	
Is Payment Plan Current:	
Date Paid by individual:	
Was any portion of penalty waived?	No
Amount Waived:	
Broker Statement	The action brought against the firm and I related to a singular transaction that occurred back in early 2009. The activity alleged against me relates to my role as Chief Operations Officer of Newport Coast Securities (formerly Grant Bettingen, Inc.) and a failure to supervise the activity of a registered representative at the firm. The registered representative was never under my direct supervision and the transaction that occurred was authorized by the one client in question by way of a notarized request to journal shares of a pink sheet penny stock from his account to an account controlled by the registered representative. In reviewing the journal request with the CCO to ascertain the purpose of the transfer we mistakenly misunderstood the transaction due to how the registered representative structured the fund similar to his outside RIA, which was approved by the CCO.

End of Report

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