

## BrokerCheck Report

**Kai Chong Cheng**

CRD# 4987533

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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.

**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](http://brokercheck.finra.org)



For additional information about the contents of this report, please refer to the User Guidance or [www.finra.org/brokercheck](http://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).

**Kai Chong Cheng**

CRD# 4987533

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
- 3 State Securities Law Exams

**Registration History**

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

**B MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED**  
 CRD# 7691  
 NEW YORK, NY  
 08/2005 - 03/2015

**Disclosure Events**

This broker has been involved in one or more disclosure events involving certain final criminal matters, regulatory actions, civil judicial proceedings, or arbitrations or civil litigations.

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

**The following types of disclosures have been reported:**

Type	Count
Regulatory Event	3

**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), states and U.S. territories the broker is currently registered and licensed with, the category of each registration, and the date on which the registration became effective. This section also provides, for each 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. 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 0 principal/supervisory exams, 3 general industry/product exams, and 3 state securities law exams.**

### Principal/Supervisory Exams

Exam	Category	Date
No information reported.		

### General Industry/Product Exams

Exam	Category	Date
<b>B</b> Securities Industry Essentials Examination	SIE	12/04/2019
<b>B</b> General Securities Representative Examination	Series 7TO	11/30/2019
<b>B</b> General Securities Representative Examination	Series 7	08/26/2005

### State Securities Law Exams

Exam	Category	Date
<b>B</b> Uniform Securities Agent State Law Examination	Series 63	12/19/2019
<b>IA</b> Uniform Investment Adviser Law Examination	Series 65	05/05/2015
<b>B IA</b> Uniform Combined State Law Examination	Series 66	09/14/2005

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/](http://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 securities firms:

Registration Dates	Firm Name	CRD#	Branch Location
<b>B</b> 08/2005 - 03/2015	MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	7691	NEW YORK, NY

### 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
10/2018 - Present	NEWBRIDGE FINANCIAL SERVICES GROUP	INVESTMENT ADVISOR	Y	NEW YORK, NY, United States
11/2019 - 01/2021	NEWBRIDGE SECURITIES CORPORATION	REGISTERED REPRESENTATIVE	Y	NEW YORK, NY, United States
10/2018 - 10/2018	NEWBRIDGE FINANCIAL SERVICES GROUP	INVESTMENT ADVISOR	Y	NEW YORK, NY, United States
03/2015 - 10/2018	AFFINITY CAPITAL MANAGEMENT LLC	PRESIDENT	Y	NEW YORK, NY, United States

# Disclosure Events



## What you should know about reported disclosure events:

- 1. **Disclosure events in BrokerCheck reports come from different sources:**
  - As mentioned at the beginning of this report, information contained in BrokerCheck comes from brokers, their employing firms, and regulators. When more than one source reports information for the same disclosure event, all versions of the event will appear in the BrokerCheck report. The different versions are separated by a solid line with the reporting source labeled.

For your convenience, below is a matrix of the number and status of regulatory 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.

	Final	On Appeal
Regulatory Event	3	0





## Disclosure Event Details

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 involves a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulator such as the Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations.

#### Disclosure 1 of 3

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	New Jersey Bureau of Securities
<b>Sanction(s) Sought:</b>	Revocation
<b>Date Initiated:</b>	12/16/2016
<b>Docket/Case Number:</b>	N/A
<b>URL for Regulatory Action:</b>	<a href="http://www.njconsumeraffairs.gov/Actions/Cheng_Summary_revocation_Order19DEC2016.pdf">http://www.njconsumeraffairs.gov/Actions/Cheng_Summary_revocation_Order19DEC2016.pdf</a> <a href="http://www.njconsumeraffairs.gov/Actions/Cheng_Consent_19May2017.pdf">http://www.njconsumeraffairs.gov/Actions/Cheng_Consent_19May2017.pdf</a>
<b>Employing firm when activity occurred which led to the regulatory action:</b>	MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED (CRD# 7691)
<b>Product Type:</b>	No Product
<b>Allegations:</b>	CHENG ENGAGED IN DISHONEST OR UNETHICAL PRACTICES IN THE SECURITIES BUSINESS. CHENG IS THE SUBJECT OF AN ORDER OF A SELF-REGULATORY ORGANIZATION EXPELLING HIM FROM A NATIONAL SECURITIES ASSOCIATION.
<b>Current Status:</b>	Final
<b>Resolution:</b>	Consent
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No



**Resolution Date:** 12/16/2016

**Sanctions Ordered:** Civil and Administrative Penalty(ies)/Fine(s)  
 Suspension  
 Other: Cheng's investment adviser representative registration is suspended for five (5) years from the effective date of December 16, 2016. Cheng may reapply to the Bureau for registration, upon expiration of the aforementioned five (5) year suspension subject to the terms of this Consent Order being complied with. If Cheng is not acting as an investment adviser representative in another jurisdiction for at least two years prior to his application for registration, such investment adviser representative registration will be contingent upon qualification by examination, and any other requested registrations may be contingent upon qualification by examination. If Cheng applies for registration with the Bureau and the registration is accepted, at the Bureau's discretion, the registration will be subject to and conditioned upon Cheng's retention of a Compliance Consultant, not objectionable to the Bureau, to ensure Cheng's timely and accurate regulatory filings. This condition would be applicable to any investment adviser controlled by Cheng that applies for registration with the Bureau. Should Cheng apply for registration with another entity, Cheng's registration may be conditioned upon a Heightened Supervision Agreement signed by the employing firm and supervisor. The terms of any consultant agreement or heightened supervision agreement will be finalized during their registration process. Cheng is denied all exemptions contained in N.J.S.A. 49:3-50, subsection (a), paragraph 9, 10, 11, and subsection (b). Cheng is denied all exemptions to the registration requirements provided by N.J.S.A. 49:3-56(b), N.J.S.A. 49:3-56(c), and N.J.S.A. 49:3-56(g).

#### Sanction 1 of 1

**Sanction Type:** Suspension

**Capacities Affected:** Investment Adviser Representative

**Duration:** 5 years

**Start Date:** 12/16/2016

**End Date:** 12/15/2021

#### Monetary Sanction 1 of 1

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

**Total Amount:** \$10,000.00

**Portion Levied against individual:** \$10,000.00

**Payment Plan:**

**Is Payment Plan Current:****Date Paid by individual:**

**Was any portion of penalty waived?** No

**Amount Waived:****Regulator Statement**

Cheng engaged in dishonest or unethical practices by communicating with JO through the use of Cheng's private email account, in violation of Merrill's employee policies requiring the use of firm-approved methods and systems for electronic communications. Cheng engaged in dishonest or unethical practices by adding JO and XW to his Term Life Insurance policy with Transamerica Life Insurance Company as primary beneficiaries, in violation of Merrill's employee policies on relationships with clients. Cheng engaged in dishonest or unethical practices by signing an Agreement in which he stated that he owed JO \$145,000. In the Agreement, Cheng acknowledged that he had paid \$15,000 and \$10,000 to JO, and that he still owed JO \$120,000, in violation of N.J.A.C. 13:47A-6.3(a)(28), N.J.A.C. 13:47A-6.3(a)(42), N.J.A.C. 13:47A-6.3(a)(43), and FINRA Rule 3240. Having consented to a bar from association with any FINRA regulated broker dealer, Cheng has effectively been expelled from a national securities association. This is cause, pursuant to N.J.S.A. 49:3-58(a)(2)(vi), to revoke the registrations of Cheng.

**Reporting Source:**

Broker

**Regulatory Action Initiated By:**

The state of NJ Bureau of Securities

**Sanction(s) Sought:**

Revocation

**Date Initiated:**

12/16/2016

**Docket/Case Number:**

None indicated

**Employing firm when activity occurred which led to the regulatory action:**

Merrill Lynch

**Product Type:**

No Product

**Allegations:**

Summary order of Revocation alleging violation by Mr. Cheng related to complaint filed by one customer while Mr. Cheng was a Merrill Lynch employee. Also related to the same customer complaint. Mr. Cheng agreed to a FINRA bar for failing to appear for on the record testimony.

**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?** No

**Resolution Date:** 12/16/2016

**Sanctions Ordered:** Revocation

#### Disclosure 2 of 3

**Reporting Source:** Regulator

**Regulatory Action Initiated By:** New Jersey Department of Banking and Insurance

**Sanction(s) Sought:** Civil and Administrative Penalty(ies)/Fine(s)

**Date Initiated:** 11/24/2015

**Docket/Case Number:** E15- 118

**URL for Regulatory Action:**

**Employing firm when activity occurred which led to the regulatory action:** MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED (CRD #7691)

**Product Type:** No Product

**Allegations:** Chong failed to notify the Commissioner of Insurance within 30 days of the disciplinary action taken against the producer by FINRA.

**Current Status:** Final

**Resolution:** Consent

**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:** 11/24/2015

**Sanctions Ordered:** Cease and Desist  
Civil and Administrative Penalty(ies)/Fine(s)

**Monetary Sanction 1 of 1**

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

**Total Amount:** \$1,000.00

**Portion Levied against individual:** \$1,000.00

**Payment Plan:**

**Is Payment Plan Current:**

**Date Paid by individual:**

**Was any portion of penalty waived?** No

**Amount Waived:**

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**Reporting Source:** Broker

**Regulatory Action Initiated By:** NJ Department of Banking and Insurance

**Sanction(s) Sought:** Civil and Administrative Penalty(ies)/Fine(s)

**Date Initiated:** 11/24/2015

**Docket/Case Number:** Case no. E15-118

**Employing firm when activity occurred which led to the regulatory action:** Affinity Capital Management LLC

**Product Type:** No Product

**Allegations:** Kai Cheng failed to report a FINRA bar to the Commisisoner within 30 days.

**Current Status:** Final

**Limitation Details:** n/a

**Action Appealed To:** consent

**Date Appeal filed:** 11/24/2015

**Appeal Limitation Details:****Resolution:** Consent**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:** 11/24/2015**Sanctions Ordered:** Civil and Administrative Penalty(ies)/Fine(s)  
Other: fine \$1000 - no other sanctions. Mr. Cheng consented to the entry of an order by the NJ Commissioner of Banking and Insurance and payment of \$1,000 for failing to notify the commissioner within 30 days of FINRA sanction which was caused by his failure to appear on his separation of employment from Merrill Lynch.**Monetary Sanction 1 of 1****Monetary Related Sanction:** Civil and Administrative Penalty(ies)/Fine(s)**Total Amount:** \$1,000.00**Portion Levied against individual:** \$1,000.00**Payment Plan:****Is Payment Plan Current:** No**Date Paid by individual:** 11/24/2015**Was any portion of penalty waived?** No**Amount Waived:****Disclosure 3 of 3****Reporting Source:** Regulator**Regulatory Action Initiated By:** FINRA**Sanction(s) Sought:** Other: N/A**Date Initiated:** 06/30/2015



<b>Docket/Case Number:</b>	<a href="#">2013039305101</a>
<b>Employing firm when activity occurred which led to the regulatory action:</b>	MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED
<b>Product Type:</b>	No Product
<b>Allegations:</b>	WITHOUT ADMITTING OR DENYING THE FINDINGS, CHENG CONSENTED TO THE SANCTIONS AND TO THE ENTRY OF FINDINGS THAT HE FAILED TO APPEAR FOR ON-THE-RECORD TESTIMONY REQUESTED BY FINRA DURING THE COURSE OF ITS INVESTIGATION INTO HIS DISCHARGE FROM HIS MEMBER FIRM. THE FINDINGS STATED THAT CHENG WAS TERMINATED FOR CONDUCT INCLUDING ENTERING INTO PERSONAL FINANCIAL TRANSACTIONS WITH A CUSTOMER, USING A PERSONAL EMAIL ADDRESS TO COMMUNICATE WITH A CUSTOMER AND UNAUTHORIZED TRADING IN A CUSTOMER ACCOUNT.
<b>Current Status:</b>	Final
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Resolution Date:</b>	06/30/2015
<b>Sanctions Ordered:</b>	Bar (Permanent)
<b>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?</b>	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:** Bar (Permanent)

**Capacities Affected:** All Capacities

**Duration:** Indefinite

**Start Date:** 06/30/2015

**End Date:**

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**Reporting Source:** Broker

**Regulatory Action Initiated By:** FINRA

**Sanction(s) Sought:** Other: N/A

**Date Initiated:** 06/30/2015

**Docket/Case Number:** [2013039305101](#)

**Employing firm when activity occurred which led to the regulatory action:** Merrill lynch, Pierce, Fenner & smith inc

**Product Type:** No Product



<b>Allegations:</b>	Without admitting or denying the findings, Cheng consented to the sanctions and to the entry of findings that he failed to appear for on-the-record testimony requested by FINRA during the course of its investigation into his discharge from his member firm. The findings stated that cheng was terminated for conduct including entering inter personal financial transactions with a customer, using a personal email address to communicate with a customer and unauthorized trading in a customer account.
<b>Current Status:</b>	Final
<b>Resolution:</b>	Acceptance, Waiver & Consent(AWC)
<b>Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?</b>	No
<b>Resolution Date:</b>	06/30/2015
<b>Sanctions Ordered:</b>	Bar (Permanent)
<b>Sanction 1 of 1</b>	
<b>Sanction Type:</b>	Bar (Permanent)
<b>Capacities Affected:</b>	any capacity
<b>Duration:</b>	Permanent
<b>Start Date:</b>	06/30/2015
<b>End Date:</b>	06/30/2015

## End of Report



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