



## IAPD Report

**JOHN KALEIHIEHIE KAI**

CRD# 2163244

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Please contact FINRA with any concerns.



## **IAPD Information About Representatives**

IAPD offers information on all current-and many former representatives. Investors are strongly encouraged to use IAPD to check the background of representatives before deciding to conduct, or continue to conduct, business with them.

### **What is included in a IAPD report?**

IAPD reports for individual representatives include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards.

It is important to note that the information contained in an IAPD 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 representative, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

### **Where did this information come from?**

The information contained in IAPD comes from the Investment Adviser Registration Depository (IARD) and FINRA's Central Registration Depository, or CRD, (see more on CRD below) and is a combination of:

- information the states require representatives and firms to submit as part of the registration and licensing process, and
- information that state regulators report regarding disciplinary actions or allegations against representatives.

### **How current is this information?**

Generally, representatives are required to update their professional and disciplinary information in IARD within 30 days.

### **Need help interpreting this report?**

For help understanding how to read this report, please consult NASAA's IAPD Tips page <http://www.nasaa.org/IAPD/IARReports.cfm>

### **What if I want to check the background of an Individual Broker or Brokerage Firm?**

To check the background of an Individual Broker or Brokerage firm, you can search for the firm or individual in IAPD. If your search is successful, click on the link provided to view the available licensing and registration information in FINRA's BrokerCheck website.

### **Are there other resources I can use to check the background of investment professionals?**

It is recommended that you learn as much as possible about an individual representative or Investment Adviser firm before deciding to work with them. Your state securities regulator can help you research individuals and certain firms doing business in your state. The contact information for state securities regulators can be found on the website of the North American Securities Administrators Association <http://www.nasaa.org>



## Report Summary

### JOHN KALEIHIEHIE KAI (CRD# 2163244)

The report summary provides an overview of the representative's professional background and conduct. The information contained in this report has been provided by the representative, investment adviser and/or securities firms, and/or securities regulators as part of the states' investment adviser registration and licensing process. The information contained in this report was last updated by the representative, a previous employing firm, or a securities regulator on **09/14/2017**.

### CURRENT EMPLOYERS

This individual is not currently registered as an Investment Adviser Representative.

### QUALIFICATIONS

This individual is not currently registered as an Investment Adviser Representative.

**Note:** Not all jurisdictions require IAR registration or may have an exemption from registration.

Additional information including this individual's qualification examinations and professional designations is available in the Detailed Report.

### REGISTRATION HISTORY

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

	FIRM	CRD#	LOCATION	REGISTRATION DATES
IA	FIRST ALLIED ADVISORY SERVICES, INC.	137888	HILO, HI	07/02/2012 - 04/24/2017
IA	FIRST ALLIED SECURITIES, INC.	32444	HILO, HI	08/05/2010 - 07/02/2012
IA	FIRST ALLIED SECURITIES, INC.	32444	HILO, HI	08/02/2010 - 08/02/2010

For additional registration and employment history details as reported by the individual, refer to the Registration and Employment History section of the Detailed Report.

### DISCLOSURE INFORMATION

Disclosure events include certain criminal charges and convictions, formal investigations and disciplinary actions initiated by regulators, customer disputes and arbitrations, and financial disclosures such as bankruptcies and unpaid judgments or liens.

Are there events disclosed about this representative?

**Yes**

The following types of events are disclosed about this representative:

Type	Count
Regulatory Event	1
Criminal	1
Customer Dispute	1
Termination	3



## Qualifications



### REGISTRATIONS

This section provides the SRO, states and U.S. territories in which the representative is currently registered and licensed, the category of each registration, and the date on which the registration becomes effective. This section also provides, for each firm with which the representative is currently employed, the address of each location where the representative works. This individual is not currently registered as an Investment Adviser Representative.



## Qualifications



### PASSED INDUSTRY EXAMS

This section includes all industry exams that the representative has passed. Under limited circumstances, a representative may attain registration after receiving an exam waiver based on a combination of exams the representative has passed and qualifying work experience. Likewise a new exam requirement may be grandfathered based on a representative's specific qualifying work experience. Exam waivers and grandfathering are not included below.

**This individual has passed 0 principal/supervisory exams, 0 general industry/product exams, and 1 state securities law exam.**

#### Principal/Supervisory Exams

Exam	Category	Date
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No information reported.

#### General Industry/Product Exams

Exam	Category	Date
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No information reported.

#### State Securities Law Exams

Exam	Category	Date
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IA

Uniform Investment Adviser Law Examination (S65)

Series 65

08/01/1992



### PROFESSIONAL DESIGNATIONS

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

No information reported.



## Registration & Employment History

### PREVIOUSLY REGISTERED WITH THE FOLLOWING FIRMS

This representative held registrations with the following firms:

	Registration Dates	Firm Name	ID#	Branch Location
IA	07/02/2012 - 04/24/2017	FIRST ALLIED ADVISORY SERVICES, INC.	CRD# 137888	HILO, HI
IA	08/05/2010 - 07/02/2012	FIRST ALLIED SECURITIES, INC.	CRD# 32444	HILO, HI
IA	08/02/2010 - 08/02/2010	FIRST ALLIED SECURITIES, INC.	CRD# 32444	HILO, HI
IA	11/06/2006 - 08/02/2010	COMMONWEALTH FINANCIAL NETWORK	CRD# 8032	HILO, HI
IA	08/31/1999 - 11/07/2006	LINSICO/PRIVATE LEDGER CORP.	CRD# 6413	HILO, HI

### EMPLOYMENT HISTORY

Below is the representative's employment history for up to the last 10 years.

Employment Dates	Employer Name	Position	Investment Related	Employer Location
07/2012 - Present	FIRST ALLIED ADVISORY SERVICES, INC.	INVESTMENT ADVISER REPRESENTATIVE	Y	CHESTERFIELD, MO, United States
08/2010 - Present	FIRST ALLIED SECURITIES, INC.	REGISTERED REPRESENTATIVE	Y	SAN DIEGO, CA, United States

### OTHER BUSINESS ACTIVITIES

This section includes information, if any, as provided by the representative regarding other business activities the representative 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.) Hawaii Community College; Instructor; Education; Start date 04/20/2013; 28 hours per month.
- 2.) The Kickass Realtor; Owner; Marketing or Business Networking; Start date 3/31/2013; 20 hours per month.
- 3.) Big Island Federal Credit Union; Director; Mortgage/Banking; Start date 09/01/2015; 4 hours per month.
- 4.) Big Island Housing Foundation; Director; Non-Profit Organization; Start date 09/01/2015; 4 hours per month.
- 5.) Hawaii Island Chamber of Commerce; Member; Non-Profit Organization; Start date 01/01/1998
- 6.) Hawaii Island Portuguese Chamber of Commerce; Board Member; Non-Profit organization; Start date 01/01/1992
- 7.) Hawaii Island YMCA; Director; Non-Profit Organization; Start date 07/27/2012; 4 hours per month.
- 8.) Kukuau Plaza AOA; Director; Start date 03/30/2012; 4 hours per month.
- 9.) Pinnacle Holdings Inc.; Partner; Real Estate; Start date 10/30/2010
- 10.) Hilo Hub; Sole Proprietor; Real Estate; Start date 11/07/2011; 8 hours per month.
- 11.) Pinnacle Investment Group, LLC; Direct Owner; DBA; Start date 06/01/1999; 160 hours per month.
- 12.) Pinnacle Investment Group, LLC-Insurance; Direct Owner; Insurance; Start date 06/01/1999
- 13.) Pinnacle Media Group; Owner; Entertainer/media contributor; Start date 09/24/2015; 4 hours per month.



## Registration & Employment History



### OTHER BUSINESS ACTIVITIES

- 14.) Crown Vending Machines; Owner; Retail Sales; Start date 09/24/2015; 8 hours per month.
- 15.) Kona Kohala Chamber of Commerce; Member; Marketing or Business Networking; Start date 10/12/2015; 4 hours per month.
- 16.) AirBNB; Owner; Real Estate; Start date 01/15/2016; 8 hours per month.



## Disclosure Summary

### Disclosure Information

#### What you should know about reported disclosure events:

##### (1) Certain thresholds must be met before an event is reported to IARD, for example:

- A law enforcement agency must file formal charges before an Investment Adviser Representative is required to report a particular criminal event.;
- A customer dispute must involve allegations that an Investment Adviser Representative engaged in activity that violates certain rules or conduct governing the industry and that the activity resulted in damages of at least \$5,000.

##### (2) Disclosure events in IAPD reports come from different sources:

As mentioned in the "About IAPD" section on page 1 of this report, information contained in IAPD comes from Investment Adviser Representatives, 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 IAPD report. The different versions will be separated by a solid line with the reporting source labeled.

##### (3) There are different statuses and dispositions for disclosure events:

- A disclosure event may have a status of *pending*, *on appeal*, or *final*.
  - A "pending" disclosure event involves allegations that have not been proven or formally adjudicated.
  - A disclosure event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
  - A "final" disclosure event has been concluded and its resolution is not subject to change.
- A final disclosure 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 represents a disposition wherein the parties involved in a dispute reach an agreement to resolve the matter. Please note that Investment Adviser Representatives and firms may choose to settle customer disputes or regulatory matters for business or other reasons.
  - A "resolved" matter usually includes a disposition wherein no payment is made to the customer or there is no finding of wrongdoing on the part of the Investment Adviser Representative. Such matters generally involve customer disputes.

##### (4) You may wish to contact the Investment Adviser Representatives to obtain further information regarding any of the disclosure events contained in this IAPD report.





## DISCLOSURE EVENT DETAILS

When evaluating this information, please keep in mind that some items may involve pending actions or allegations that may be contested and have not been resolved or proven. The event may, in the end, be withdrawn, dismissed, resolved in favor of the Investment Adviser Representative, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

This report provides the information exactly as it was reported to the Investment Adviser Registration Depository. Some of the specific data fields contained in the report may be blank if the information was not provided.

The following types of events are disclosed about this representative:

Type	Count
Regulatory Event	1
Criminal	1
Customer Dispute	1
Termination	3

### Regulatory Event

This disclosure event may include a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, a federal regulator such as the Securities and Exchange Commission or the Commodities Futures Trading Commission, or a foreign financial regulatory body) for a violation of investment-related rules or regulations. This disclosure event may also include a revocation or suspension of an Investment Adviser Representative's authority to act as an attorney, accountant or federal contractor.

#### Disclosure 1 of 1

<b>Reporting Source:</b>	Regulator
<b>Regulatory Action Initiated By:</b>	FINRA
<b>Sanction(s) Sought:</b>	Suspension
<b>Date Initiated:</b>	06/09/2017
<b>Docket/Case Number:</b>	2017053680001
<b>Employing firm when activity occurred which led to the regulatory action:</b>	N/A
<b>Product Type:</b>	No Product
<b>Allegations:</b>	Respondent Kai failed to respond to FINRA request for information.
<b>Current Status:</b>	Final
<b>Resolution:</b>	Letter
<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>	09/12/2017



**Sanctions Ordered:**

Bar (Permanent)

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 2

**Sanction Type:** Bar (Permanent)

**Capacities Affected:** all capacities

**Duration:** Indefinite

**Start Date:** 09/12/2017

**End Date:**

#### Sanction 2 of 2

**Sanction Type:** Suspension

**Capacities Affected:** all capacities

**Duration:** N/A

**Start Date:** 07/03/2017

**End Date:** 09/11/2017

#### Regulator Statement

Pursuant to FINRA Rule 9552(h) and in accordance with FINRA's Notice of Suspension and Suspension from Association letters dated June 9, 2017 and July 3, 2017 respectively, on September 12, 2017, Kai is barred from association with any FINRA member in all capacities. Respondent failed to request termination of his suspension within three months of the date of the Notice of Suspension; therefore, he is automatically barred from association with any FINRA member in all capacities.



## Criminal

This disclosure event involves a criminal charge against the Investment Adviser Representative that has resulted in a dismissal, plea, acquittal or conviction. The criminal matter may relate to any felony or certain misdemeanor offenses (e.g., bribery, perjury, forgery, counterfeiting, extortion, fraud, wrongful taking of property).

### Disclosure 1 of 1

<b>Reporting Source:</b>	Individual
<b>Court Details:</b>	POLICE DEPARTMENT SACARAMENTO, CALIFORNIA DOCKET NO. 89M08088B
<b>Charge Date:</b>	05/25/1989
<b>Charge Details:</b>	I WAS ARRESTED AND CHARGED WITH TWO COUNTS OF VIOLATION OF SECTION 487.1 OF THE PENAL CODE, FOR WILLFULLY AND UNLAWFULLY TAKING MONEY AND PERSONAL PROPERTY OF A VALUE EXCEEDING \$400, TO WIT, MERCHANDISE THE PROPERTY OF WEINSTOCK'S, FELONY CHARGES.
<b>Felony?</b>	
<b>Current Status:</b>	Final
<b>Status Date:</b>	07/19/1989
<b>Disposition Details:</b>	BOTH CHARGES WERE REDUCED TO MISDEMEANORS. I PLED NOLO CONTENDERE TO THE OFFENSE OF 484PC OR PETTY THEFT FOR COUNT I, AND WAS SENTENCED TO 3 YEARS PROBATION AND ASSESSED FINE TOTALLING \$1067.50. COUNT II WAS DISMISSED.
<b>Broker Statement</b>	ATTACHED IS COURT DOCUMENTATION.



## Customer Dispute

This section provides information regarding a customer dispute that was reported to the Investment Adviser Registration Depository (IARD) by the Investment Adviser Representative (IAR), an investment adviser and/or securities firm, and/or a securities regulator. The event may include a consumer-initiated, investment-related complaint, arbitration proceeding or civil suit that contains allegations of sales practice violations against the individual.

The customer dispute may be pending or may have resulted in a civil judgment, arbitration award, monetary settlement, closure without action, withdrawal, dismissal, denial, or other outcome.

### Disclosure 1 of 1

<b>Reporting Source:</b>	Firm
<b>Employing firm when activities occurred which led to the complaint:</b>	COMMONWEALTH FINANCIAL NETWORK
<b>Allegations:</b>	CUSTOMER ALLEGES THAT ACCOUNT WAS UNSUITABLY RISKY
<b>Product Type:</b>	Equity Listed (Common & Preferred Stock)
<b>Alleged Damages:</b>	\$37,190.00

### Arbitration Information

<b>Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):</b>	FINRA
<b>Docket/Case #:</b>	10-03732
<b>Date Notice/Process Served:</b>	09/20/2010
<b>Arbitration Pending?</b>	No
<b>Disposition:</b>	Settled
<b>Disposition Date:</b>	12/06/2010
<b>Monetary Compensation Amount:</b>	\$20,000.00
<b>Individual Contribution Amount:</b>	\$0.00

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<b>Reporting Source:</b>	Individual
<b>Employing firm when activities occurred which led to the complaint:</b>	COMMONWEALTH FINANCIAL NETWORK
<b>Allegations:</b>	CUSTOMER ALLEGES THAT ACCOUNT WAS UNSUITABLY RISKY.
<b>Product Type:</b>	Equity Listed (Common & Preferred Stock)
<b>Alleged Damages:</b>	\$37,000.00
<b>Is this an oral complaint?</b>	No
<b>Is this a written complaint?</b>	Yes
<b>Is this an arbitration/CFTC reparation or civil litigation?</b>	No

### Customer Complaint Information

<b>Date Complaint Received:</b>	02/01/2010
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<b>Complaint Pending?</b>	No
<b>Status:</b>	Denied
<b>Status Date:</b>	10/04/2010
<b>Settlement Amount:</b>	
<b>Individual Contribution Amount:</b>	
<b>Arbitration Information</b>	
<b>Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):</b>	FINRA
<b>Docket/Case #:</b>	10-03732
<b>Date Notice/Process Served:</b>	09/20/2010
<b>Arbitration Pending?</b>	No
<b>Disposition:</b>	Settled
<b>Disposition Date:</b>	12/06/2010
<b>Monetary Compensation Amount:</b>	\$20,000.00
<b>Individual Contribution Amount:</b>	\$0.00
<b>Broker Statement</b>	AFTER HOLDING PORTFOLIO FOR ONE YEAR, CUSTOMER CLOSED AND MOVED HIS ACCOUNT DESPITE OPENING THE ACCOUNT WITH A 10-YEAR TIME HORIZON AND THE OBJECTIVE OF INVESTING FOR LONG TERM GROWTH. CUSTOMER SUGGESTED THAT PORTFOLIO WAS TOO "RISKY" DESPITE CHOOSING THE HIGHEST RISK/REWARD CATEGORY ON HIS INVESTOR PROFILE, AND CHOOSING THE MOST EQUITY CONCENTRATED PORTFOLIO OUT 5 PORTFOLIO OPTIONS.



## Termination

This disclosure event involves a situation where the Investment Adviser Representative voluntarily resigned, was discharged or was permitted to resign after allegations were made that accused the Investment Adviser Representative of violating investment-related statutes, regulations, rules or industry standards of conduct; fraud or the wrongful taking of property; or failure to supervise in connection with investment-related statutes, regulations, rules or industry standards of conduct.

### Disclosure 1 of 3

**Reporting Source:** Firm

**Firm Name:** First Allied

**Termination Type:** Discharged

**Termination Date:** 04/19/2017

**Allegations:** RR violated numerous firm policies, including communications with the public, undisclosed private securities transaction and outside business activity, borrowing funds from a client, and exercising discretion in client brokerage accounts without the firm's approval. RR is alleged to have received client funds under the false pretense of investing the funds for the client without any apparent account opened under the client's name.

**Product Type:** Equity-OTC  
Equity Listed (Common & Preferred Stock)  
Options

### Disclosure 2 of 3

**Reporting Source:** Firm

**Firm Name:** First Allied

**Termination Type:** Discharged

**Termination Date:** 04/19/2017

**Allegations:** RR violated numerous firm policies, including communications with the public, undisclosed private securities transaction and outside business activity, borrowing funds from a client, and exercising discretion in client brokerage accounts without the firm's approval. RR is alleged to have received client funds under the false pretense of investing the funds for the client without any apparent account opened under the client's name.

**Product Type:** Equity-OTC  
Equity Listed (Common & Preferred Stock)  
Options

### Disclosure 3 of 3

**Reporting Source:** Firm

**Firm Name:** COMMONWEALTH FINANCIAL NETWORK

**Termination Type:** Permitted to Resign

**Termination Date:** 07/31/2010

**Allegations:** REPRESENTATIVE'S USAGE OF SOCIAL MEDIA WAS IN VIOLATION OF FIRM POLICY DESIGNED TO ENSURE FIRM COMPLIANCE WITH FINRA RULE 2210B1(A).

**Product Type:** No Product

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<b>Reporting Source:</b>	Individual
<b>Firm Name:</b>	COMMONWEALTH FINANCIAL NETWORK
<b>Termination Type:</b>	Permitted to Resign
<b>Termination Date:</b>	01/13/2011
<b>Allegations:</b>	REPRESENTATIVE'S USAGE OF SOCIAL MEDIA WAS IN VIOLATION OF FIRM POLICY DESIGNED TO ENSURE FIRM COMPLIANCE WITH FINRA RULE 2210B1(A.)
<b>Product Type:</b>	No Product





## End of Report

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