



IAPD Report

KRISTOPHER CHARLES KESSLER

CRD# 4543640

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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.



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

KRISTOPHER CHARLES KESSLER (CRD# 4543640)

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 **12/09/2025**.

CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
B	AMERICAN TRUST INVESTMENT SERVICES, INC.	CRD# 3001	07/07/2020
IA	CHICAGO CAPITAL MANAGEMENT ADVISORS, LLC	CRD# 123483	10/12/2020
IA	ASSET STRATEGIES, INC	CRD# 104512	09/11/2023

QUALIFICATIONS

This representative is currently registered in **1** SRO(s) and **8** jurisdiction(s).

Is this representative currently Inactive or Suspended with any regulator? **No**

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	ASSET STRATEGIES, INC	104512	LISLE, IL	07/21/2023 - 12/31/2024
IA	WESTPARK CAPITAL, INC.	39914	Newport Beach, CA	07/13/2016 - 06/18/2020
B	WESTPARK CAPITAL, INC.	39914	Newport Beach, CA	07/12/2016 - 06/18/2020

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	2



Report Summary



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 currently registered with **8** jurisdiction(s) and 1 SRO(s) through his or her employer(s).

Employment 1 of 3

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

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

Firm ID#: 3001

	Regulator	Registration	Status	Date
	FINRA	General Securities Principal	Approved	07/07/2020
	FINRA	General Securities Representative	Approved	07/07/2020
	FINRA	Investment Banking Principal	Approved	07/07/2020
	FINRA	Investment Banking Representative	Approved	07/07/2020
	FINRA	Operations Professional	Approved	07/07/2020
	California	Agent	Approved	07/07/2020
	Illinois	Agent	Approved	12/18/2020
	New Mexico	Agent	Approved	12/10/2025

Branch Office Locations

AMERICAN TRUST INVESTMENT SERVICES ADVISORY

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

Employment 2 of 3

Firm Name: **ASSET STRATEGIES, INC**

Main Address: 4722 MAIN ST.
LISLE, IL 60532

Firm ID#: 104512



Qualifications

	Regulator	Registration	Status	Date
IA	Florida	Investment Adviser Representative	Approved - Pending IAR CE	01/01/2026
IA	Illinois	Investment Adviser Representative	Approved - Pending IAR CE	01/01/2026
IA	Indiana	Investment Adviser Representative	Approved	02/04/2025
IA	Ohio	Investment Adviser Representative	Approved	01/30/2025

Branch Office Locations

ASSET STRATEGIES, INC

4722 MAIN ST.
LISLE, IL 60532

Employment 3 of 3

Firm Name: **CHICAGO CAPITAL MANAGEMENT ADVISORS, LLC**
Main Address: 4722 MAIN STREET
LISLE, IL 60532
Firm ID#: 123483

	Regulator	Registration	Status	Date
IA	California	Investment Adviser Representative	Approved - Pending IAR CE	01/01/2026
IA	North Carolina	Investment Adviser Representative	Approved	10/13/2020
IA	Texas	Investment Adviser Representative	Approved	12/21/2022

Branch Office Locations

CHICAGO CAPITAL MANAGEMENT ADVISORS, LLC

4722 MAIN STREET
LISLE, IL 60532



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 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 (S24)	Series 24	07/28/2005

General Industry/Product Exams

	Exam	Category	Date
B	Investment Banking Registered Representative Examination (S79TO)	Series 79TO	01/02/2023
B	Operations Professional Examination (S99TO)	Series 99TO	01/02/2023
B	Securities Industry Essentials Examination (SIE)	SIE	10/01/2018
B	General Securities Representative Examination (S7)	Series 7	09/06/2002

State Securities Law Exams

	Exam	Category	Date
IA B	Uniform Combined State Law Examination (S66)	Series 66	10/01/2002



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	07/21/2023 - 12/31/2024	ASSET STRATEGIES, INC	CRD# 104512	LISLE, IL
IA	07/13/2016 - 06/18/2020	WESTPARK CAPITAL, INC.	CRD# 39914	Newport Beach, CA
B	07/12/2016 - 06/18/2020	WESTPARK CAPITAL, INC.	CRD# 39914	Newport Beach, CA
IA	09/06/2007 - 08/02/2016	NEWPORT COAST ASSET MANAGEMENT	CRD# 16944	IRVINE, CA
B	09/06/2007 - 08/02/2016	NEWPORT COAST SECURITIES, INC.	CRD# 16944	IRVINE, CA
IA	05/25/2005 - 06/29/2007	BROOKSTREET CAPITAL MANAGEMENT	CRD# 14667	IRVINE, CA
B	05/25/2005 - 06/29/2007	BROOKSTREET SECURITIES CORPORATION	CRD# 14667	IRVINE, CA
B	03/12/2004 - 05/18/2005	WM FINANCIAL SERVICES, INC.	CRD# 599	IRVINE, CA
IA	03/12/2004 - 05/18/2005	WM FINANCIAL SERVICES, INC.	CRD# 599	IRVINE, CA
B	06/10/2003 - 02/17/2004	WM FINANCIAL SERVICES, INC.	CRD# 599	IRVINE, CA
IA	06/10/2003 - 02/17/2004	WM FINANCIAL SERVICES, INC.	CRD# 599	SAN DIEGO, CA
IA	10/02/2002 - 06/03/2003	AMERICAN EXPRESS FINANCIAL ADVISORS, INC.	CRD# 6363	SAN DIEGO, CA
B	09/20/2002 - 06/03/2003	AMERICAN EXPRESS FINANCIAL ADVISORS INC.	CRD# 6363	MINNEAPOLIS, MN
B	09/20/2002 - 06/03/2003	IDS LIFE INSURANCE COMPANY	CRD# 6321	MINNEAPOLIS, MN

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
07/2020 - Present	American Trust Investment Services, Inc.	President	Y	Newport Beach, CA, United States



Registration & Employment History



EMPLOYMENT HISTORY

Employment Dates	Employer Name	Position	Investment Related	Employer Location
07/2016 - 06/2020	WestPark Capital Inc	Supervisor	Y	Los Angeles, CA, United States
10/2009 - 08/2016	NEWPORT COAST SECURITIES	COO	Y	IRVINE, 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.

AmTru Ventures Manager, LLC; Started 03/2024; Managing Member; approximately 1-2 hrs /mo; may occur during market hours. AmTru Fund Management LLC / Amtru Inference Ventures , LLC. 10/31/2025 - Present. Amtru Fund Management LLC is the manager for American Trust's approved SPV, Amtru AI Inference 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 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	2

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 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:

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Reporting Source: Individual
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 inquiries or otherwise followup 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.

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Reporting Source:	Individual
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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