



IAPD Report

JOHN PAUL HARNISH

CRD# 4813106

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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

JOHN PAUL HARNISH (CRD# 4813106)

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 **03/17/2026**.

CURRENT EMPLOYERS

	Firm	CRD#	Registered Since
IA	PROSPERITY ADVISORY GROUP LLC	CRD# 310720	08/18/2021

QUALIFICATIONS

This representative is currently registered in **0** SRO(s) and **2** 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
B	CADARET, GRANT & CO., INC.	10641	Victor, NY	07/12/2004 - 07/02/2025

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





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 **2** jurisdiction(s) and **0** SRO(s) through his or her employer(s).

Employment 1 of 1

Firm Name: **PROSPERITY ADVISORY GROUP LLC**
Main Address: 50 SQUARE DRIVE
SUITE 220
VICTOR, NY 14564
Firm ID#: 310720

	Regulator	Registration	Status	Date
	New York	Investment Adviser Representative	Approved	08/18/2021
	Texas	Investment Adviser Representative	Restricted Approval	10/01/2024

Branch Office Locations

PROSPERITY ADVISORY GROUP LLC
50 SQUARE DRIVE
SUITE 220
VICTOR, NY 14564




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, 2 general industry/product exams, and 1 state securities law exam.


Principal/Supervisory Exams

Exam	Category	Date
 General Securities Principal Examination (S24)	Series 24	04/06/2007

General Industry/Product Exams

Exam	Category	Date
 Securities Industry Essentials Examination (SIE)	SIE	10/01/2018
 General Securities Representative Examination (S7)	Series 7	07/09/2004

State Securities Law Exams

Exam	Category	Date
 Uniform Securities Agent State Law Examination (S63)	Series 63	08/13/2004

PROFESSIONAL DESIGNATIONS

This section details that the representative has reported 1 professional designation(s).

Certified Financial Planner

This representative holds or did hold 1 professional designation(s) that may have been used to qualify as an Investment Advisor representative. Please check with the appropriate designation authority for verification that the designation is still in effect. The contact information for these professional designation authorities can be found on the website for the North American Securities Administrators Association at <http://www.nasaa.org>



Registration & Employment History

PREVIOUSLY REGISTERED WITH THE FOLLOWING FIRMS

This representative held registrations with the following firms:

	Registration Dates	Firm Name	ID#	Branch Location
B	07/12/2004 - 07/02/2025	CADARET, GRANT & CO., INC.	CRD# 10641	Victor, NY

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
09/2020 - Present	Prosperity Advisory Group	Principle/CCO/IAR	Y	Victor, NY, United States
06/2004 - 06/2025	CADARET, GRANT & CO., INC.	Reg. Rep.	Y	VICTOR, NY, United States
03/2020 - 08/2021	KM Advisory Services	CCO/IAR/Owner	Y	Victor, NY, United States
03/2020 - 07/2021	KM Investment Services	Owner	Y	Victor, NY, United States
04/2002 - 03/2020	KM ADVISORY SERVICES	CCO	Y	VICTOR, NY, United States
04/2002 - 03/2020	KM INVESTMENT SERVICES	FINANCIAL ADVISOR/CHIEF COMPLIANCE OFFICER	Y	VICTOR, NY, 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) Amway Independent Business Owner (not investment-related). Nature: Can purchase consumer products at wholesale with ability to sell them at retail and recruit other individuals to be part of business system. Start date: 1993. Location: Pittsford, NY. Hours: Less than 1 hour per month not during securities trading hours.
- 2) Notary Public for the State of New York (not investment-related). Start date: 2006. Location: Victor, NY. Hours: Less than 1 hour per month during securities trading hours.
- 3) Insurance Agent (investment related): Appointed for Life/Accident/Health/VA insurance sales through various companies. Start date: 2004. Location: Victor, NY. Hours: 1-2 hours per month during securities trading hours.
- 4) Prosperity Advisory Group LLC Retirement Plan Trustee (investment related). Location: Victor, NY. Start date: Aug 2021. Hours: Less than 1 hour per month during securities trading hours.



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

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

Reporting Source:	Regulator
Regulatory Action Initiated By:	UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Sanction(s) Sought:	Cease and Desist
Date Initiated:	06/06/2022
Docket/Case Number:	3-20882

Employing firm when activity occurred which led to the regulatory action: d/b/a KM Advisory Services

Product Type: Mutual Fund

Allegations: The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 ("Exchange Act") and Sections 203(e), 203(f) and 203(k) of the Investment Advisers Act of 1940 ("Advisers Act") against John Paul Harnish d/b/a KM Advisory Services ("Respondent"). The Commission finds that These proceedings arise out of breaches of fiduciary duties by former registered investment adviser KM Advisory Services ("KMA"), an unincorporated sole-proprietorship purchased by John Paul Harnish ("Harnish") in February 2020, in connection with KMA and Harnish's receipt of mutual fund fees pursuant to Rule 12b-1 under the Investment Company Act of 1940 ("12b-1 fees") and commissions in the form of sales "loads" from advisory client investments without fully and fairly disclosing its related conflicts of interest. Since at least January 2016, and continuing from the date Harnish purchased KMA in February 2020 and through December 2020, KMA invested the vast majority of clients' assets in certain mutual funds that paid 12b-1 fees and charged sales load commissions exclusively through an introducing broker-dealer (the "Introducing Broker-Dealer") with whom



Harnish was a registered representative. As a result, KMA's clients paid 12b-1 fees and commissions to the Introducing Broker-Dealer, a portion of which were shared with KMA and Harnish. KMA failed to fully and adequately disclose this arrangement and the conflicts of interest arising therefrom. KMA also breached its duty of care by not routinely comparing the Introducing Broker-Dealer's order execution with other broker-dealers, which KMA's advisory relationship with its clients required. KMA therefore caused its advisory clients to invest through the Introducing Broker-Dealer and in share classes of mutual funds that charged 12b-1 fees when other broker-dealers made available share classes of the same funds to their customers that may have presented a more favorable value for KMA's clients under the particular circumstances in place at the time of the transactions. Furthermore, KMA failed to adopt and implement written compliance policies and procedures reasonably designed to prevent violations of the Advisers Act and the rules thereunder in connection with its mutual fund share class and broker-dealer selection practices. As a result of the conduct described above, KMA willfully violated Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-7 thereunder.

Current Status:

Final

Resolution:

Order

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct?

Yes

Resolution Date:

06/06/2022

Sanctions Ordered:

Cease and Desist
Censure
Civil and Administrative Penalty(ies)/Fine(s)
Disgorgement
Monetary Penalty other than Fines
Undertaking
Other: Respondent shall cease and desist from committing or causing any violations and any future violations of Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-7 promulgated thereunder; is censured; shall pay disgorgement of \$220,097.30 and prejudgment interest of \$5,549.69 to the Securities and Exchange Commission; shall pay a civil money penalty in the amount of \$75,000 to the Securities and Exchange Commission; and shall comply with the undertakings enumerated in the Offer of Settlement.

If the regulator is the SEC, CFTC, or an SRO, did the action result in a finding of a willful violation or failure to supervise?

Yes



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

Yes

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

No

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

No

Monetary Sanction 1 of 3

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

Total Amount: \$75,000.00



Portion Levied against individual: \$75,000.00

Payment Plan:

Is Payment Plan Current:

Date Paid by individual:

Was any portion of penalty waived? No

Amount Waived:

Monetary Sanction 2 of 3

Monetary Related Sanction: Monetary Penalty other than Fines

Total Amount: \$5,549.69

Portion Levied against individual: \$5,549.69

Payment Plan:

Is Payment Plan Current:

Date Paid by individual:

Was any portion of penalty waived? No

Amount Waived:

Monetary Sanction 3 of 3

Monetary Related Sanction: Disgorgement

Total Amount: \$220,097.30

Portion Levied against individual: \$220,097.30

Payment Plan:

Is Payment Plan Current:

Date Paid by individual:

Was any portion of penalty waived? No

Amount Waived:

Regulator Statement

Respondent has submitted an Offer of Settlement (the "Offer") which the Commission has determined to accept. As a result of the conduct described above, Respondent willfully violated Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-7 thereunder. Accordingly, Respondent is hereby ordered to cease and desist from committing or causing any violations and any future violations of Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-7 promulgated thereunder; is censured; shall pay disgorgement of \$220,097.30 and prejudgment interest of \$5,549.69 to the Securities and Exchange Commission; shall pay a civil money penalty in the amount of \$75,000 to the Securities and Exchange Commission; and shall comply with the undertakings enumerated in the Offer of Settlement. A Fair Fund is created for the penalties, disgorgement, and prejudgment interest referenced in the order combined with a Fair Fund established in the Commission's simultaneously instituted related proceeding to form the KM Advisory Fair Fund.



Reporting Source: Individual

Regulatory Action Initiated By: UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Sanction(s) Sought: Cease and Desist
Censure
Civil and Administrative Penalty(ies)/Fine(s)
Disgorgement
Undertaking

Date Initiated: 06/06/2022

Docket/Case Number: Investment Advisors Act of 1940 Release No 6045; Administrative Proceeding File No 3-20882

Employing firm when activity occurred which led to the regulatory action: KM Advisory Services

Product Type: Mutual Fund

Allegations: Recommendation to advisor clients of certain mutual funds that paid 12b-1 fees and charged commissions without adequate disclosure.

Current Status: Final

Resolution: Order

Does the order constitute a final order based on violations of any laws or regulations that prohibit fraudulent, manipulative, or deceptive conduct? Yes

Resolution Date: 06/06/2022

Sanctions Ordered: Cease and Desist
Censure
Civil and Administrative Penalty(ies)/Fine(s)
Disgorgement
Undertaking

Monetary Sanction 1 of 3

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

Total Amount: \$75,000.00

Portion Levied against individual: \$75,000.00

Payment Plan:

Is Payment Plan Current:

Date Paid by individual: 06/10/2022

Was any portion of penalty waived? No

Amount Waived:

Monetary Sanction 2 of 3



Monetary Related Sanction: Monetary Penalty other than Fines

Total Amount: \$5,549.69

Portion Levied against individual: \$5,549.69

Payment Plan:

Is Payment Plan Current:

Date Paid by individual: 06/10/2022

Was any portion of penalty waived? No

Amount Waived:

Monetary Sanction 3 of 3

Monetary Related Sanction: Disgorgement

Total Amount: \$220,097.30

Portion Levied against individual: \$220,097.30

Payment Plan:

Is Payment Plan Current:

Date Paid by individual: 06/10/2022

Was any portion of penalty waived? No

Amount Waived:



End of Report

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