

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT  
NO. 2019064935602**

TO: Department of Enforcement  
Financial Industry Regulatory Authority (FINRA)

RE: Kayan Securities, Inc. (Respondent)  
Member Firm  
CRD No. 156175

Yong Soo Kim (Respondent)  
General Securities Principal  
CRD No. 1747849

Pursuant to FINRA Rule 9216, Respondents Kayan Securities and Yong Soo Kim (Kim) submit this Letter of Acceptance, Waiver, and Consent (AWC) for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against Respondents alleging violations based on the same factual findings described in this AWC.

**I.**

**ACCEPTANCE AND CONSENT**

- A. Respondents accept and consent to the following findings by FINRA without admitting or denying them:

**BACKGROUND**

Kayan has been a FINRA member firm since November 2011. Headquartered in Los Angeles, California, the firm has two branch offices and 14 registered representatives. The firm engages in a general securities business.

Kim first became associated with a FINRA member firm in 1987. Since November 2011, Kim has been registered with FINRA as a General Securities Representative and General Securities Principal through an association with Kayan. Kim is the Chief Executive Officer and Chief Compliance Officer of Kayan. In December 1998, Kim entered into an AWC with NASD and agreed to pay a \$2,500 fine jointly and severally with a prior firm regarding violations of NASD Rules 1120(b) and 2110 for training and continuing education lapses by the firm. In April 2013, Kim entered into an AWC with FINRA and agreed to pay a \$5,000 fine regarding violations of NASD Rule 2420 and FINRA Rule 2010 for sharing commissions with an unregistered person. In January 2020, a customer won a FINRA arbitration award against Kim, who was found jointly and severally liable for the customer's losses, and ordered to pay \$12,757 after the customer made allegations

of breach of contract, errors/charges, negligence, breach of fiduciary duty, churning, lack of suitability, unauthorized trading, and indemnification.<sup>1</sup>

## **OVERVIEW**

From January 2018 through at least April 2021, Kayan and Kim failed to establish, maintain, and enforce a supervisory system, including written supervisory procedures (WSPs), reasonably designed to achieve compliance with the suitability requirements of FINRA Rule 2111 and the Care Obligation of Rule 15c-1 of the Securities Exchange Act of 1934 (Regulation BI or Reg BI)<sup>2</sup> as they pertain to excessive trading, in violation of FINRA Rules 3110 and 2010. As of June 30, 2020, Kayan also violated Reg BI's Compliance Obligation by not establishing, maintaining, and enforcing WSPs reasonably designed to achieve compliance with Reg BI.

From January 2018 through April 2021, Kayan and Kim also failed to reasonably supervise a former firm registered representative (Representative 1), by failing to respond to red flags that Representative 1 had engaged in unauthorized and excessive trading in three customers' accounts, in violation of FINRA Rules 3110 and 2010.<sup>3</sup>

From September 2019 through the present, Kayan also failed to disclose to FINRA two written customer complaints regarding Representative 1 and the firm's conclusion that Representative 1 had violated FINRA rules, in violation of FINRA Rules 4530 and 2010. From September 2019 through the present, the firm also failed to update Representative 1's Forms U4 and U5 regarding three written customer complaints, in violation of Article V, Sections 2(c) and 3(b) of FINRA's By-Laws and FINRA Rules 1122 and 2010.

## **FACTS AND VIOLATIVE CONDUCT**

### **A. Kayan and Kim failed to establish, maintain, and enforce a supervisory system and WSPs reasonably designed to achieve compliance with SEC and FINRA rules regarding excessive trading.**

As of June 30, 2020, broker-dealers and their associated persons are required to comply with Reg BI. Rule 15c-1(a)(1) of Reg BI requires a broker, dealer, or a natural person associated with a broker or dealer, when making a recommendation of any securities transaction or investment strategy involving securities (including account recommendations) to a retail customer, to act in the best interest of that retail customer at the time the recommendation is made, without placing the financial or other interest of the broker, dealer, or associated person ahead of the interest of the retail customer.

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<sup>1</sup> For more information about Respondents Kayan and Kim, including prior regulatory events involving Kim, visit BrokerCheck® at [www.finra.org/brokercheck](http://www.finra.org/brokercheck).

<sup>2</sup> The compliance date for Reg BI was June 30, 2020. Also, effective June 30, 2020, FINRA amended Rule 2111 to state that Rule 2111 will not apply to recommendations subject to Reg BI.

<sup>3</sup> In April 2021, Representative 1 entered into an AWC with FINRA in which he was barred for unauthorized trading and providing false information to FINRA, in violation of FINRA Rules 2010 and 8210.

Reg BI's Care Obligation, set forth at Exchange Act Rule 15l-1(a)(2)(ii), requires broker-dealers and their associated persons to exercise reasonable diligence, care, and skill to, among other things, have a reasonable basis to believe that a series of recommended transactions, even if in the retail customer's best interest when viewed in isolation, is not excessive and is in the retail customer's best interest in light of the retail customer's investment profile.

Prior to June 30, 2020, FINRA Rule 2111 required members and associated persons to have a reasonable basis to believe that a recommendation of a transaction or investment strategy involving a security or securities to any customer is suitable for the customer. Under Rule 2111.05(c), members and associated persons with actual or *de facto* control over an account were required to have a reasonable basis for believing that a series of recommended transactions, even if suitable when viewed in isolation, are not excessive and unsuitable for the customer in light of the customer's investment profile. FINRA Rule 2111 is still in effect, but as of June 30, 2020, it no longer applies to recommendations that are subject to Reg BI, and the element of control was removed from the quantitative suitability component.

No single test defines when trading is excessive, but factors such as the turnover rate, the cost-to-equity ratio, and the use of in-and-out trading in a customer's account are relevant to determining whether a member firm or associated person has excessively traded a customer's account in violation of Reg BI or FINRA Rule 2111. The turnover rate represents the number of times that a portfolio of securities is exchanged for another portfolio of securities. The cost-to-equity ratio measures the amount an account must appreciate just to cover commissions and other expenses. In other words, it is the break-even point where a customer may begin to see a return. A turnover rate of six or more, or a cost-to-equity ratio above 20 percent, generally indicates that a series of recommended transactions was excessive.

Additionally, Reg BI's Compliance Obligation, set forth at Exchange Act Rule 15l-1(a)(2)(iv), requires broker-dealers to establish, maintain, and enforce written policies and procedures reasonably designed to achieve compliance with Reg BI, including the Care Obligation. Reg BI's Adopting Release provides that broker-dealers should consider the nature of that firm's operations and how to design such policies and procedures to prevent violations from occurring, detect violations that have occurred, and to correct promptly any violations that have occurred.<sup>4</sup>

FINRA Rule 3110 requires member firms to establish, maintain, and enforce a supervisory system, including written procedures, to supervise the activities of each associated person that is reasonably designed to achieve compliance with applicable securities laws, regulations, and FINRA rules.

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<sup>4</sup> *Regulation Best Interest: The Broker-Dealer Standard of Conduct*, Exchange Act Release No. 86031, 84 FR 33318 at 33397 (July 12, 2019).

Violations of Reg BI or FINRA Rule 3110 also are violations of FINRA Rule 2010, which requires associated persons to “observe high standards of commercial honor and just and equitable principles of trade” in the conduct of their business.

From January 2018 through at least April 2021, Kayan’s supervisory system and WSPs were not reasonably designed to achieve compliance with FINRA Rule 2111 or the Care Obligation of Reg BI as they pertain to excessive trading. The firm’s WSPs during this period identified Kim as the designated principal responsible for supervising for potentially unsuitable and excessive trading.

During this period, Kayan’s supervisory system for detecting and investigating potential excessive trading consisted of Kim reviewing representatives’ daily order logs and monthly active trading reports he received from Kayan’s clearing firm. The monthly active trading reports included information about account turnover rates and commission-to-equity ratios.

Until September 2018, Kayan’s WSPs required Kim to monitor for undefined “questionable” or “exceptional” activity to identify excessive trading, among other types of trading misconduct, without describing any process for doing so, for example by referencing the turnover rate or cost/commission-to-equity ratio. The firm’s WSPs during this period also required Kim to send letters to customers if he detected undefined “exceptions.” These letters were to identify the trading activities which triggered the issuance of the letter and to confirm the customer’s awareness of those activities; however, the firm’s letters failed to do either of those things. In September 2018 and July 2019, respectively, the firm added commission-to-equity ratio and turnover rate benchmarks to its WSPs regarding excessive trading monitoring. The WSPs further required that Kim was required to send a letter to a customer and have them sign an “Active Trading Account Review” form whenever trading in their account exceeded the turnover rate or commission-to-equity ratio benchmarks. However, the letter and related form did not identify any transactions or confirm the customers’ awareness about any specific trading activity.

In July 2020, the firm updated its WSPs to add sections regarding Reg BI and the Care Obligation, but did not add to or revise its WSPs regarding excessive trading supervision.

Therefore, from January 2018 through at least April 2021, Kayan and Kim violated FINRA Rules 3110 and 2010, and from June 30, 2020 through at least April 2021, Kayan also violated Exchange Act Rule 15c-1(a)(1).

## **B. Kayan and Kim failed to reasonably supervise Representative 1.**

The duty to supervise under Rule 3110 requires member firms and their principals to reasonably investigate red flags that suggest misconduct may be occurring and to act upon the results of such investigation.

Unauthorized trading occurs when a registered representative effects trades in a customer's non-discretionary account without first obtaining the customer's authorization or consent. Unauthorized trading is a violation of FINRA Rule 2010.

Between January 2018 through April 2021, Kim was Representative 1's direct supervisor and was responsible for reviewing and supervising his trading activity. As described below, Kayan and Kim identified, or should have identified, red flags indicating that Representative 1 was engaged in unauthorized and excessive trading in the accounts of Customer 1, Customer 2 (who was a senior), and Customer 3, but failed to reasonably respond to these red flags.

Specifically, Kayan and Kim were aware of, or should have been aware of, the following red flags of Representative 1's potentially unauthorized and excessive trading:

- Kayan's clearing firm designated Customer 1's account as a "pattern day trader" account, suggesting a high volume of daily trading.
- Kayan's clearing firm's active trading reports in 2018, 2019 and 2020 indicated that the three customers' accounts had turnover rates above the recognized excessive trading benchmark of six.
- Representative 1 consistently executed in-and-out trading in the three customers' accounts in 2018, 2019 and 2020, which is a pattern of buying and selling the same security multiple times in a short period of time. Further, he engaged in such trading in primarily the same single stock in the accounts of Customer 1 and Customer 3 in 2018 and 2019, and in a different single stock in Customer 2's account in 2020.
- Representative 1 designated nearly all of the transactions at issue in the three customers' accounts as "unsolicited," indicating that the three customers had asked Representative 1 to execute all the specific transactions in their accounts.
- Customer 1 lost \$393,969 as a result of Representative 1's trading activity.
- Customer 1 complained about Representative 1's unauthorized trading to the firm in June 2019.
- Customer 2 complained about Representative 1's unauthorized trading to the firm in September 2020.

Kayan and Kim failed to reasonably respond to these red flags. Kim never contacted Customer 1 or Customer 3. After Customer 1 complained about Representative 1's trading to the firm in June 2019, Kayan and Kim did not reasonably investigate the trading activity.

When Representative 1 engaged in similar trading in Customer 3's account in 2019, Kim only had Representative 1 obtain a revised account application from Customer 3, changing the investment objective and risk tolerance to conform to the trading. Then, when Representative 1 engaged in similar trading in Customer 2's account in 2020, Kim waited until the account appeared on three monthly active account reports with a turnover rate above six before sending a letter to Customer 2 regarding his account activity, to which Customer 2 immediately responded and complained about unauthorized trading.

In September 2020, after Representative 1 admitted to Kim that he had engaged in unauthorized trading in Customer 1's and Customer 2's accounts, the firm fined Representative 1 for unauthorized trading in Customer 2's account. The firm, however, conducted no further investigation and allowed Representative 1 to continue to trade in other customers' accounts until he was barred by FINRA in April 2021. After Representative 1 was barred, Customer 3 notified the firm that Representative 1 had engaged in unauthorized trading in his account as well.

Based on the foregoing, from January 2018 through April 2021, Kayan and Kim failed to reasonably supervise the trading activities of Representative 1 by failing to reasonably respond to red flags indicative of unauthorized and excessive trading.

Therefore, Kayan and Kim violated FINRA Rules 3110 and 2010.

**C. Kayan failed to disclose to FINRA two customer complaints or its conclusion that Representative 1 had engaged in unauthorized trading.**

FINRA Rule 4530(d) requires each member firm to "report to FINRA statistical and summary information regarding written customer complaints . . . by the 15th day of the month following the calendar quarter in which customer complaints are received by the member."<sup>5</sup> FINRA Rule 4530(b) requires that member firms report to FINRA "not later than 30 calendar days, after the member has concluded or reasonably should have concluded that an associated person of the member or the member itself has violated any securities-, insurance-, commodities-, financial- or investment-related laws, rules, regulations or standards of conduct of any domestic or foreign regulatory body or self-regulatory organization." FINRA uses the information received pursuant to Rule 4530 for regulatory purposes to identify and initiate investigations of member firms, associated persons, and others that may pose a risk to investors.

A violation of Rule 4530 also is a violation of FINRA Rule 2010.

In September 2019, Customer 1 sent a written complaint to Kayan regarding Representative 1's trading activities in his account. In January 2021, Customer 2 also sent a written complaint to Kayan regarding Representative 1's trading activities in his account. Both complaints met the requirements for mandatory reporting under Rule 4530(d). However, Kayan never reported to FINRA either of these customers' complaints.

Moreover, in September 2020, Kayan concluded that Representative 1 had engaged in unauthorized trading in Customer 1 and 2's account, based, in part, on Representative 1's admission that he had done so. However, Kayan failed to report to FINRA that it had concluded Representative 1 had engaged in unauthorized trading in at least two customers' accounts over a period of approximately three years.

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<sup>5</sup> To comply with Rule 4530(d), members must report any written grievance by a customer if the grievance concerns the member or an associated person of the member. FINRA Rule 4530 Supplementary Material .08.

Therefore, Kayan violated FINRA Rules 4530 and 2010.

**D. Kayan failed to update Representative 1's Form U4 and Form U5.**

Pursuant to Article V, Section 2 of FINRA's By-Laws, when any person applies to be registered with FINRA, the member firm must file a Form U4 containing certain disclosures, such as customer complaints involving the person. Article V, Section 2(c) of FINRA's By-Laws requires that member firms keep every Form U4 filed with FINRA current at all times by filing amendments no later than 30 days after learning of facts or circumstances giving rise to the amendment. Article V, Section 3 of FINRA's By-Laws requires each member firm, not later than 30 days after termination of the association of any person, to give notice to FINRA of such termination by filing a Form U5. Article V, Section 3(b) of FINRA's By-Laws requires that member firms, in the event they learn of facts or circumstances causing any information in a Form U5 filed with FINRA to become inaccurate or incomplete, to file amendments no later than 30 days after learning of facts or circumstances giving rise to the amendment. FINRA Rule 1122 also prohibits member firms from filing with FINRA information with respect to registration that is incomplete or inaccurate so as to be misleading or could in any way tend to mislead and requires member firms to correct any such filing. Failing to amend or to timely amend Forms U4 or U5 to disclose reportable investment-related customer complaints violates Article V, Section 2 and 3 of FINRA's By-Laws, and FINRA Rules 1122.

A violation of Article V, Sections 2 and 3 of FINRA's By-Laws and FINRA Rule 1122 also constitutes a violation of FINRA Rule 2010.

Question 14I(3) of Form U4, and Question 7E(3) of Form U5, require disclosure of any written customer complaint that alleges that the person was involved in sales practice violations and which contain a claim for compensatory damages of at least \$5,000.<sup>6</sup> Nonetheless, Kayan failed to update Representative 1's Form U4 and Form U5 to report three written customer complaints alleging Representative 1's involvement in sales practice violations, specifically: (1) Customer 1's written complaint in September 2019; (2) Customer 2's written complaint in January 2021; and (3) a second written complaint by Customer 2 in April 2021.

Therefore, Kayan violated Article V, Section 2(c) and 3(b) of FINRA's By-Laws, and FINRA Rules 1122 and 2010.

B. Respondents also consent to the imposition of the following sanctions:

- Kayan consents to:
  - a censure;

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<sup>6</sup> If no damage amount is alleged, the complaint must be reported unless the firm has made a good faith determination that the damages from the alleged conduct would be less than \$5,000.

- partial restitution of \$50,000,<sup>7</sup> plus interest, as described below; and
  - an undertaking that, within 90 days of the date of the Notice of Acceptance of this AWC, a member of Kayan's senior management who is a registered principal of the firm shall certify in writing that, as of the date of the certification, the firm has reviewed and remediated the issues identified in the AWC, and implemented a supervisory system, including written supervisory procedures, reasonably designed to achieve compliance with SEC and FINRA rules regarding excessive trading. The certification shall include a narrative description and supporting exhibits sufficient to demonstrate Kayan's remediation and implementation. FINRA staff may request further evidence of Kayan's remediation and implementation, and Kayan agrees to provide such evidence. Kayan shall submit the certification to John Sheehan, Senior Counsel, FINRA Department of Enforcement, at 100 Pine Street, Suite 1800, San Francisco, CA 94111, or electronically to John.Sheehan@finra.org, with a copy to EnforcementNotice@finra.org. Upon written request showing good cause, FINRA staff may extend this deadline.
- Kim consents to:
- a two-month suspension from associating with any FINRA member in all principal capacities;
  - a \$5,000 fine; and
  - an undertaking that within 90 days of the Notice of Acceptance of this AWC, Kim will attend and satisfactorily complete 20 hours of continuing education concerning supervisory responsibilities, including supervision relating to unauthorized and excessive trading, by a provider not unacceptable to FINRA. Kim will notify John Sheehan, Senior Counsel, of the name and contact information of the provider of the continuing education at least 10 days prior to attending the continuing education. Within 30 days following the completion of the continuing education, Kim will submit written proof that the continuing education program was satisfactorily completed to John Sheehan at John.Sheehan@finra.org. All correspondence must identify Kim and the case number 2019064935602. Upon written request showing good cause, FINRA may extend any of the deadlines related to the continuing education component of the sanction.

Respondent Kayan is ordered to pay partial restitution to the customer listed on Attachment A to this AWC (Eligible Customer) in the total amount of \$50,000, plus interest at the rate set forth in Section 6621(a)(2) of the Internal Revenue Code, 26 U.S.C. § 6621(a)(2), starting from the date this AWC is accepted by the National Adjudicatory Council (NAC) until payment is made.

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<sup>7</sup> Pursuant to the General Principles Applicable to all Sanction Determinations contained in FINRA's *Sanction Guidelines*, FINRA imposed partial restitution and no fine after considering, among other things, Kayan's revenues and financial resources.



A registered principal on behalf of Kayan has submitted a statement of financial condition and demonstrated an inability to pay full restitution immediately upon issuance of the AWC. In light of the financial status of Kayan, restitution to the Eligible Customer shall be payable on the schedule and in the amounts listed on Attachment A, commencing with the first payment to be made on the 15th day of the month following the notice of acceptance of the AWC.

A registered principal on behalf of Kayan shall submit satisfactory proof of payment of restitution and interest (separately specifying the date and amount of each paid to the Eligible Customer) or of reasonable and documented efforts undertaken to effect restitution after each payment due under the installment plan. Such proof shall be submitted by email to EnforcementNotice@FINRA.org. from a work-related account of the registered principal of Kayan. The email must identify Kayan and the case number and include a copy of the check, money order, or other method of payment. This proof shall be provided by email to EnforcementNotice@FINRA.org no later than 15 days after each payment is due.

The restitution amount plus interest to be paid to the Eligible Customer shall be treated by Kayan as the Eligible Customer's property for purposes of state escheatment, unclaimed property, abandoned property, and similar laws. If after reasonable and documented efforts undertaken to effect restitution Kayan is unable to pay the Eligible Customer within 15 days after each payment is due, Kayan shall submit to FINRA in the manner described above a description of Kayan's plan, not unacceptable to FINRA, to comply with the applicable escheatment, unclaimed property, abandoned property, or similar laws for the Eligible Customer.

The imposition of a restitution order or any other monetary sanction in this AWC, and the timing of such ordered payments, does not preclude customers from pursuing their own actions to obtain restitution or other remedies.

Restitution payments to customers shall be preceded or accompanied by a letter, not unacceptable to FINRA, describing the reason for the payment and the fact that the payment is being made pursuant to a settlement with FINRA and as a term of this AWC.

Respondents Kayan and Kim agree to pay the monetary sanctions upon notice that this AWC has been accepted and that such payment is due and payable. Kim has submitted an Election of Payment form showing the method by which he proposes to pay the fine imposed.

Respondents Kayan and Kim specifically and voluntarily waive any right to claim an inability to pay, now or at any time after the execution of this AWC, the monetary sanctions imposed in this matter.

Respondent Kim understands that if he is barred or suspended from associating with any FINRA member in a principal capacity, he becomes subject to a statutory disqualification as that term is defined in Article III, Section 4 of FINRA's By-Laws, incorporating

Section 3(a)(39) of the Securities Exchange Act of 1934. Accordingly, Kim may not be associated with any FINRA member in any principal capacity, during the period of the bar or suspension. *See* FINRA Rules 8310 and 8311. Furthermore, because Kim is subject to a statutory disqualification during the suspension, if he remains associated with a member firm in a non-suspended capacity, an application to continue that association may be required.

The sanctions imposed in this AWC shall be effective on a date set by FINRA.

## **II.**

### **WAIVER OF PROCEDURAL RIGHTS**

Respondents specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a complaint issued specifying the allegations against them;
- B. To be notified of the complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made, and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council (NAC) and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, Respondents specifically and voluntarily waive any right to claim bias or prejudgment of the Chief Legal Officer, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

Respondents further specifically and voluntarily waive any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

## **III.**

### **OTHER MATTERS**

Respondents understand that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against Respondents; and
- C. If accepted:
  - 1. this AWC will become part of Respondents' permanent disciplinary records and may be considered in any future action brought by FINRA or any other regulator against Respondents;
  - 2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;
  - 3. FINRA may make a public announcement concerning this agreement and its subject matter in accordance with FINRA Rule 8313; and
  - 4. Respondents may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. Respondents may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects Respondents' rights to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party. Nothing in this provision affects Respondents' testimonial obligations in any litigation or other legal proceedings.
- D. Respondents may attach a corrective action statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondents understand that they may not deny the charges or make any statement that is inconsistent with the AWC in this statement. This statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA.

The undersigned, on behalf of Respondent Kayan, certifies that a person duly authorized to act on Kayan's behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that Kayan has agreed to the AWC's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth in this AWC and the prospect of avoiding the issuance of a complaint, has been made to induce Kayan to submit this AWC.

Respondent Kim certifies that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; he has agreed to the AWC's provisions voluntarily; and no offer, threat, inducement, or promise of any kind, other than the terms set forth in this AWC and the prospect of avoiding the issuance of a complaint, has been made to induce him to submit this AWC.

April 25, 2024

Date

Yong Soo Kim  
Kayan Securities, Inc.  
Respondent

Print Name: Yong Soo Kim

Title: President

April 26, 2024

Date

Yong Soo Kim  
Yong Soo Kim  
Respondent

Reviewed by:

John Seong Kim  
John Seong Kim  
Counsel for Respondents  
3470 Wilshire Blvd., Suite 626  
Los Angeles, CA 90010

Accepted by FINRA:

Signed on behalf of the  
Director of ODA, by delegated authority

May 16, 2024

Date

John Sheehan  
John Sheehan  
Senior Counsel  
FINRA  
Department of Enforcement  
100 Pine Street, Suite 1800  
San Francisco, CA 94111

**ATTACHMENT A**  
**To Letter of Acceptance, Waiver and Consent**  
**Kayan Securities, Inc. and Yong Soo Kim, Matter No. 2019064935602**

**Restitution Installment Plan - Customer 1 - \$50,000**

<b>Installment Payment No.</b>	<b>Total Payment</b>	<b>Payment Due Date<sup>1</sup></b>
1	\$2,173.91 <sup>2</sup>	15 days after the AWC is approved.
2	\$2,173.91	30 days after payment no. 1
3	\$2,173.91	30 days after payment no. 2
4	\$2,173.91	30 days after payment no. 3
5	\$2,173.91	30 days after payment no. 4
6	\$2,173.91	30 days after payment no. 5
7	\$2,173.91	30 days after payment no. 6
8	\$2,173.91	30 days after payment no. 7
9	\$2,173.91	30 days after payment no. 8
10	\$2,173.91	30 days after payment no. 9
11	\$2,173.91	30 days after payment no. 10
12	\$2,173.91	30 days after payment no. 11
13	\$2,173.91	30 days after payment no. 12
14	\$2,173.91	30 days after payment no. 13
15	\$2,173.91	30 days after payment no. 14
16	\$2,173.91	30 days after payment no. 15
17	\$2,173.91	30 days after payment no. 16
18	\$2,173.91	30 days after payment no. 17
19	\$2,173.91	30 days after payment no. 18
20	\$2,173.91	30 days after payment no. 19
21	\$2,173.91	30 days after payment no. 20
22	\$2,173.91	30 days after payment no. 21
23	\$2,173.91	30 days after payment no. 22
24	Interest at the rate set forth in Section 6621(a)(2) of the Internal Revenue Code. <sup>3</sup>	30 days after payment no. 23

<sup>1</sup> Any payment due date falling on a Saturday or Sunday can be extended to the proceeding Monday.

<sup>2</sup> The first 23 payments in the installment plan will apply to the \$50,000 principal only. The final payment will be the accrued interest on the principal as it was reduced over the installment payment period.

<sup>3</sup> The interest rate in effect at the time the AWC is accepted by the NAC will be used. If restitution is paid in full to Customer 1 before the final installment payment is due, the interest accrued up to the point of the final payment will be included with the final payment.