

BrokerCheck Report

LUKE MICHAEL JOHNSON

CRD# 3257008

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About BrokerCheck®

BrokerCheck offers information on all current, and many former, registered securities brokers, and all current and former registered securities firms. FINRA strongly encourages investors to use BrokerCheck to check the background of securities brokers and brokerage firms before deciding to conduct, or continue to conduct, business with them.

- **What is included in a BrokerCheck report?**

- BrokerCheck reports for individual brokers include information such as employment history, professional qualifications, disciplinary actions, criminal convictions, civil judgments and arbitration awards. BrokerCheck reports for brokerage firms include information on a firm's profile, history, and operations, as well as many of the same disclosure events mentioned above.

- Please note that the information contained in a BrokerCheck report may include pending actions or allegations that may be contested, unresolved or unproven. In the end, these actions or allegations may be resolved in favor of the broker or brokerage firm, or concluded through a negotiated settlement with no admission or finding of wrongdoing.

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

- The information contained in BrokerCheck comes from FINRA's Central Registration Depository, or CRD® and is a combination of:

- o information FINRA and/or the Securities and Exchange Commission (SEC) require brokers and brokerage firms to submit as part of the registration and licensing process, and
- o information that regulators report regarding disciplinary actions or allegations against firms or brokers.

- **How current is this information?**

- Generally, active brokerage firms and brokers are required to update their professional and disciplinary information in CRD within 30 days. Under most circumstances, information reported by brokerage firms, brokers and regulators is available in BrokerCheck the next business day.

- **What if I want to check the background of an investment adviser firm or investment adviser representative?**

- To check the background of an investment adviser firm or representative, you can search for the firm or individual in BrokerCheck. If your search is successful, click on the link provided to view the available licensing and registration information in the SEC's Investment Adviser Public Disclosure (IAPD) website at <https://www.adviserinfo.sec.gov>. In the alternative, you may search the IAPD website directly or contact your state securities regulator at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck/P455414>.

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

- FINRA recommends that you learn as much as possible about an investment professional before deciding to work with them. Your state securities regulator can help you research brokers and investment adviser representatives doing business in your state.

Thank you for using FINRA BrokerCheck.



Using this site/information means that you accept the FINRA BrokerCheck Terms and Conditions. A complete list of Terms and Conditions can be found at

brokercheck.finra.org



For additional information about the contents of this report, please refer to the User Guidance or www.finra.org/brokercheck. It provides a glossary of terms and a list of frequently asked questions, as well as additional resources. [For more information about FINRA, visit www.finra.org.](http://www.finra.org)



LUKE M. JOHNSON

CRD# 3257008

Currently employed by and registered with the following Firm(s):

COASTAL EQUITIES, INC.

2350 FREEDOM WAY
SUITE 101
YORK, PA 17402
CRD# 23769

Registered with this firm since: 04/03/2012

COASTAL EQUITIES, INC.

6710 N. Scottsdale Road
Suite 240
SCOTTSDALE, AZ 85253
CRD# 23769

Registered with this firm since: 04/03/2012

Report Summary for this Broker

This report summary provides an overview of the broker's professional background and conduct. Additional information can be found in the detailed report.

Broker Qualifications

This broker is registered with:

- 1 Self-Regulatory Organization
- 18 U.S. states and territories

This broker has passed:

- 1 Principal/Supervisory Exam
- 3 General Industry/Product Exams
- 2 State Securities Law Exams

Registration History

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

SUMMIT BROKERAGE SERVICES, INC.

CRD# 34643
SCOTTSDALE, AZ
09/2006 - 03/2009

CARILLON INVESTMENTS, INC.

CRD# 14646
CINCINNATI, OH
06/2005 - 04/2006

NORTHWESTERN MUTUAL INVESTMENT SERVICES, LLC

CRD# 2881
MILWAUKEE, WI
11/2000 - 03/2005

Disclosure Events

All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.

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

The following types of disclosures have been reported:

Type	Count
Customer Dispute	3
Termination	1

Investment Adviser Representative Information

The information below represents the individual's record as a broker. For details on this individual's record as an investment adviser representative, visit the SEC's Investment Adviser Public Disclosure website at <https://www.adviserinfo.sec.gov>



Broker Qualifications

Registrations

This section provides the self-regulatory organizations (SROs) and U.S. states/territories the broker is currently registered and licensed with, the category of each license, and the date on which it became effective. This section also provides, for every brokerage firm with which the broker is currently employed, the address of each branch where the broker works.

This individual is currently registered with 1 SRO and is licensed in 18 U.S. states and territories through his or her employer.

Employment 1 of 1

Firm Name: **COASTAL EQUITIES, INC.**
 Main Office Address: **1201 N. ORANGE STREET
 SUITE 729
 WILMINGTON, DE 19801**
 Firm CRD#: **23769**

SRO	Category	Status	Date
FINRA	General Securities Representative	APPROVED	04/03/2012

U.S. State/ Territory	Category	Status	Date	U.S. State/ Territory	Category	Status	Date
Arizona	Agent	APPROVED	05/29/2012	North Carolina	Agent	APPROVED	05/08/2018
California	Agent	APPROVED	12/11/2014	Pennsylvania	Agent	APPROVED	11/09/2018
Colorado	Agent	APPROVED	12/12/2014	Tennessee	Agent	APPROVED	02/26/2018
Connecticut	Agent	APPROVED	02/20/2015	Texas	Agent	APPROVED	01/21/2015
Florida	Agent	APPROVED	06/09/2015	Virginia	Agent	APPROVED	02/22/2018
Georgia	Agent	APPROVED	12/15/2014				
Illinois	Agent	APPROVED	06/22/2018				
Iowa	Agent	APPROVED	07/03/2014				
Kansas	Agent	APPROVED	10/11/2012				
Kentucky	Agent	APPROVED	02/27/2018				
Missouri	Agent	APPROVED	07/06/2012				
Montana	Agent	APPROVED	03/06/2018				
Nevada	Agent	APPROVED	12/15/2014				



Broker Qualifications

Employment 1 of 1, continued

Branch Office Locations

COASTAL EQUITIES, INC.

6710 N. Scottsdale Road
Suite 240
SCOTTSDALE, AZ 85253



Broker Qualifications

Industry Exams this Broker has Passed

This section includes all securities industry exams that the broker has passed. Under limited circumstances, a broker may attain a registration after receiving an exam waiver based on exams the broker has passed and/or qualifying work experience. Any exam waivers that the broker has received are not included below.

This individual has passed 1 principal/supervisory exam, 3 general industry/product exams, and 2 state securities law exams.

Principal/Supervisory Exams

Exam	Category	Date
Investment Company Products/Variable Contracts Principal Examination	Series 26	10/18/2007

General Industry/Product Exams

Exam	Category	Date
Securities Industry Essentials Examination	SIE	10/01/2018
General Securities Representative Examination	Series 7	04/02/2012
Investment Company Products/Variable Contracts Representative Examination	Series 6	11/10/2000

State Securities Law Exams

Exam	Category	Date
Uniform Combined State Law Examination	Series 66	04/24/2012
Uniform Securities Agent State Law Examination	Series 63	03/13/2001

Additional information about the above exams or other exams FINRA administers to brokers and other securities professionals can be found at www.finra.org/brokerqualifications/registeredrep/.



Registration and Employment History

Registration History

The broker previously was registered with the following firms:

Registration Dates	Firm Name	CRD#	Branch Location
09/2006 - 03/2009	SUMMIT BROKERAGE SERVICES, INC.	34643	SCOTTSDALE, AZ
06/2005 - 04/2006	CARILLON INVESTMENTS, INC.	14646	CINCINNATI, OH
11/2000 - 03/2005	NORTHWESTERN MUTUAL INVESTMENT SERVICES, LLC	2881	MILWAUKEE, WI
11/2000 - 01/2002	ROBERT W. BAIRD & CO. INCORPORATED	8158	MILWAUKEE, WI

Employment History

This section provides up to 10 years of an individual broker's employment history as reported by the individual broker on the most recently filed Form U4.

Please note that the broker is required to provide this information only while registered with FINRA or a national securities exchange and the information is not updated via Form U4 after the broker ceases to be registered. Therefore, an employment end date of "Present" may not reflect the broker's current employment status.

Employment Dates	Employer Name	Employer Location
01/2013 - Present	COASTAL INVESTMENT ADVISORS	WILMINGTON, DE
03/2012 - Present	COASTAL EQUITIES, INC.	WILMINGTON, DE
04/2006 - Present	LEGEND CAPITAL GROUP, INC	SCOTTSDALE, AZ
09/2006 - 03/2009	SUMMIT BROKERAGE SERVICES INC	OVERLAND PARK, KS

Other Business Activities

This section includes information, if any, as provided by the broker regarding other business activities the broker 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) I SELL A VARIETY OF FIXED INSURANCE AND ANNUITY PRODUCTS FOR VARIOUS INSURANCE COMPANIES.
 2) LEGEND CAPITAL GROUP INC. THIS IS SIMPLY MY DBA NAME. UNDER COASTAL EQUITIES INC. 3.) REPRESENTATIVE IS ALSO AN INVESTMENT ADVISOR REPRESENTATIVE WITH COASTAL INVESTMENT ADVISORS, LOCATED AT 1201 N. ORANGE STREET, SUITE 729, WILMINGTON, DE 19801.



Disclosure Events

What you should know about reported disclosure events:

1. All individuals registered to sell securities or provide investment advice are required to disclose customer complaints and arbitrations, regulatory actions, employment terminations, bankruptcy filings, and criminal or civil judicial proceedings.
2. **Certain thresholds must be met before an event is reported to CRD, for example:**
 - o A law enforcement agency must file formal charges before a broker is required to disclose a particular criminal event.
 - o A customer dispute must involve allegations that a broker engaged in activity that violates certain rules or conduct governing the industry and that the activity resulted in damages of at least \$5,000.
 - o
3. **Disclosure events in BrokerCheck reports come from different sources:**
 - o As mentioned at the beginning of this report, information contained in BrokerCheck comes from brokers, brokerage 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 BrokerCheck report. The different versions will be separated by a solid line with the reporting source labeled.
 - o
4. **There are different statuses and dispositions for disclosure events:**
 - o A disclosure event may have a status of *pending, on appeal, or final*.
 - § A "pending" event involves allegations that have not been proven or formally adjudicated.
 - § An event that is "on appeal" involves allegations that have been adjudicated but are currently being appealed.
 - § A "final" event has been concluded and its resolution is not subject to change.
 - o A final 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 involves an agreement by the parties to resolve the matter. Please note that brokers and brokerage firms may choose to settle customer disputes or regulatory matters for business or other reasons.
 - § A "resolved" matter usually involves no payment to the customer and no finding of wrongdoing on the part of the individual broker. Such matters generally involve customer disputes.

For your convenience, below is a matrix of the number and status of disclosure events involving this broker. Further information regarding these events can be found in the subsequent pages of this report. You also may wish to contact the broker to obtain further information regarding these events.

	Pending	Final	On Appeal
Customer Dispute	2	1	N/A



Termination	N/A	1	N/A
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Disclosure Event Details

When evaluating this information, please keep in mind that a disclosure event may be pending or involve allegations that are contested and have not been resolved or proven. The matter may, in the end, be withdrawn, dismissed, resolved in favor of the broker, or concluded through a negotiated settlement for certain business reasons (e.g., to maintain customer relationships or to limit the litigation costs associated with disputing the allegations) with no admission or finding of wrongdoing.

This report provides the information exactly as it was reported to CRD and therefore some of the specific data fields contained in the report may be blank if the information was not provided to CRD.

Customer Dispute - Closed-No Action / Withdrawn / Dismissed / Denied

This type of disclosure event involves (1) a consumer-initiated, investment-related arbitration or civil suit containing allegations of sales practice violations against the individual broker that was dismissed, withdrawn, or denied; or (2) a consumer-initiated, investment-related written complaint containing allegations that the broker engaged in sales practice violations resulting in compensatory damages of at least \$5,000, forgery, theft, or misappropriation, or conversion of funds or securities, which was closed without action, withdrawn, or denied.

Disclosure 1 of 1

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	Coastal Equities, Inc.
Allegations:	Customer alleges that registered representative recommended unsuitable securities purchased in approximately 2015.
Product Type:	Direct Investment-DPP & LP Interests Real Estate Security
Alleged Damages:	\$56,000.00
Is this an oral complaint?	No
Is this a written complaint?	Yes
Is this an arbitration/CFTC reparation or civil litigation?	No

Customer Complaint Information

Date Complaint Received:	08/28/2017
Complaint Pending?	No
Status:	Closed/No Action



Status Date: 02/28/2018

Settlement Amount:

Individual Contribution Amount:

Broker Statement

The client's allegation is denied. The client was educated by the FA on the nature of the investments including the risks. The client executed all disclosure documents prior to purchasing the investments, including, among other things, initialing specific disclosures concerning illiquidity of the investments. The investments were discussed on several occasions with the client prior to purchase, and client conducted his own review of the investments as well. The client's complaint arose after the industry reporting requirements of share value changed for non-traded REITS, thus causing his statements to reflect a lower value per share. The client is a sophisticated investor and the investments at issue were suitable for the client.



Customer Dispute - Pending

This type of disclosure event involves (1) a pending consumer-initiated, investment-related arbitration or civil suit that contains allegations of sales practice violations against the broker; or (2) a pending, consumer-initiated, investment-related written complaint containing allegations that the broker engaged in, sales practice violations resulting in compensatory damages of at least \$5,000, forgery, theft, or misappropriation, or conversion of funds or securities.

Disclosure 1 of 2

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	Coastal Equities, Inc./Coastal Investment Advisors, Inc.
Allegations:	Client's attorney alleges that the financial adviser's recommendations of alternative investments were unsuitable. Client's attorney also alleges that three securities in the client's advisory portfolio were unsuitable for the client. The account was opened in 2013.
Product Type:	Direct Investment-DPP & LP Interests Equity Listed (Common & Preferred Stock)
Alleged Damages:	\$0.00
Alleged Damages Amount Explanation (if amount not exact):	The firm cannot make a good faith determination whether or not the alleged damage amount would be less than \$5,000.
Is this an oral complaint?	No
Is this a written complaint?	Yes
Is this an arbitration/CFTC reparation or civil litigation?	No

Customer Complaint Information

Date Complaint Received:	09/25/2018
Complaint Pending?	Yes
Settlement Amount:	
Individual Contribution Amount:	
Broker Statement	The financial adviser denies that the investments were unsuitable. Over the life of the adviser relationship the client never articulated a need for liquidity and each investment was discussed at length with the client (settlor of the trust) and her husband prior to investing.

**Disclosure 2 of 2**

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	Coastal Equities, Inc.
Allegations:	Customer alleges that registered representative recommended unsuitable securities purchased in approximately 2015.
Product Type:	Direct Investment-DPP & LP Interests Real Estate Security
Alleged Damages:	\$300,000.00
Arbitration Information	
Arbitration/CFTC reparation claim filed with (FINRA, AAA, CFTC, etc.):	FINRA
Docket/Case #:	18-02266
Date Notice/Process Served:	06/28/2018
Arbitration Pending?	Yes



Employment Separation After Allegations

This type of disclosure event involves a situation where the broker voluntarily resigned, was discharged, or was permitted to resign after being accused of (1) violating investment-related statutes, regulations, rules or industry standards of conduct; (2) fraud or the wrongful taking of property; or (3) failure to supervise in connection with investment-related statutes, regulations, rules, or industry standards of conduct.

Disclosure 1 of 1

Reporting Source: Firm

Employer Name: NORTHWESTERN MUTUAL INVESTMENT SERVICES, LLC

Termination Type: Permitted to Resign

Termination Date: 02/18/2005

Allegations: THE REPRESENTATIVE WAS PERMITTED TO RESIGN WHEN AN INTERNAL REVIEW REVEALED, AND THE REPRESENTATIVE ADMITTED, THAT HE SIGNED THE NAME OF HIS OFFICE'S DESIGNATED SUPERVISOR ON FOUR VARIABLE LIFE INSURANCE APPLICATION FORMS. SIGNATURE ON THESE FORMS INDICATES AN ACCEPTABLE SUITABILITY REVIEW BY THE SUPERVISOR.

Product Type: Insurance

Other Product Types:

Reporting Source: Broker

Employer Name: NORTHWESTERN MUTUAL FINANCIAL NETWORK

Termination Type: Permitted to Resign

Termination Date: 03/07/2005

Allegations: I ADMITTED TO SIGNING MY SUPERVISOR'S NAME TO FOUR VARIABLE LIFE APPLICATION SUPPLEMENTS IN ORDER TO EXPEDITE THE BUSINESS. THERE WAS NO MALICIOUS INTENT ON MY PART, JUST ATTEMPTING TO GET BUSINESS SUBMITTED BEFORE I LEFT ON VACATION.

Product Type: Insurance

Other Product Types: MUTUAL FUNDS, FIXED AND VARIABLE ANNUITIES

Broker Statement AGAIN, I MADE A MISTAKE AND WAS ONLY TRYING TO GET THIS SMALL PIECE OF BUSINESS TURNED IN BEFORE I LEFT THE COUNTRY FOR 10 DAYS ON VACATION. I THEN SPOKE TO MY BOSS AND I DECIDED TO VOLUNTARILY RESIGN.

End of Report



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