

BrokerCheck Report

JOHN MICHAEL KROHN

CRD# 2722975

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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.



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)

Thank you for using FINRA BrokerCheck.

JOHN M. KROHN

CRD# 2722975

This broker is not currently registered.

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 not currently registered.

This broker has passed:

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

Registration History

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

- B** **PRINCIPAL SECURITIES, INC.**
CRD# 1137
WEST DES MOINES, IA
03/1996 - 01/2017

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
Regulatory Event	1
Customer Dispute	5

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 broker is not currently registered.



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 0 principal/supervisory exams, 3 general industry/product exams, and 2 state securities law exams.

Principal/Supervisory Exams

Exam	Category	Date
No information reported.		

General Industry/Product Exams

Exam	Category	Date
B Securities Industry Essentials Examination	SIE	01/12/2017
B General Securities Representative Examination	Series 7	03/20/2009
B Investment Company Products/Variable Contracts Representative Examination	Series 6	03/25/1996

State Securities Law Exams

Exam	Category	Date
IA Uniform Investment Adviser Law Examination	Series 65	12/29/1999
B Uniform Securities Agent State Law Examination	Series 63	04/01/1996

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/.

Broker Qualifications



Professional Designations

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

No information reported.



Registration and Employment History

Registration History

The broker previously was registered with the following firms:

Registration Dates	Firm Name	CRD#	Branch Location
B 03/1996 - 01/2017	PRINCIPAL SECURITIES, INC.	1137	WEST DES MOINES, IA

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	Employer Name	Position	Investment Related	Employer Location
06/2015 - Present	Tax Saver Plus, LLC DBA Cash Flow Structure Group	General Partner/Managing Member	Y	W Des Moines, IA, United States
07/1998 - Present	PRINCIPAL LIFE INSURANCE COMPANY	AGENT - Agent	N	DES MOINES, IA, United States
03/1996 - Present	PRINCOR FINANCIAL SERVICES CORPORATION	NOT PROVIDED	Y	DES MOINES, IA, United States
06/2015 - 06/2016	CASH FLOW STRUCTURE GROUP LLC	FINANCIAL REPRESENTATIVE	Y	WEST DES MOINES, IA, United States
02/2015 - 06/2015	CASH FLOW SOLUTIONS GROUP	PRESIDENT/FINANCIAL REPRESENTATIVE	Y	WEST DES MOINES, IA, United States

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.

***TAX PREPARATION. 12/19/2013. TAX AND ACCOUNTING SERVICES PROVIDED TO APPROXIMATELY 5-10 CLIENTS.

***OUTSIDE INSURANCE, SELLING FIXED LIFE INSURANCE, FIXED ANNUITIES, DISABILITY INSURANCE AND LONG TERM CARE INSURANCE THROUGH VARIOUS CARRIERS, 12/30/14.

**DOMIKNOW, BOARD MEMBER, 2/18/15.

***Spotlight Innovation, Inc, Board Member, 12/23/15.

**Tax Saver Plus, LLC DBA Cash Flow Structure Group, general partner, managing member and secretary, 06/30/15.

Registration and Employment History



Other Business Activities, continued



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
Regulatory Event	0	1	0
Customer Dispute	3	2	N/A



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.

Regulatory - Final

This type of disclosure event may involve (1) a final, formal proceeding initiated by a regulatory authority (e.g., a state securities agency, self-regulatory organization, federal regulatory such as the Securities and Exchange Commission, foreign financial regulatory body) for a violation of investment-related rules or regulations; or (2) a revocation or suspension of a broker's authority to act as an attorney, accountant, or federal contractor.

Disclosure 1 of 1

Reporting Source: Regulator

Regulatory Action Initiated By: FINRA

Sanction(s) Sought:

Date Initiated: 05/29/2018

Docket/Case Number: [2017052852801](#)

Employing firm when activity occurred which led to the regulatory action: Principal Securities, Inc., fka Princor Financial Services Corporation,

Product Type: Other: private securities

Allegations: Without admitting or denying the findings, Krohn consented to the sanctions and to the entry of findings that he engaged in outside business activities and made personal purchases totaling \$7.9 million of private securities away from his member firm without notifying it about those activities or purchases. The findings stated that Krohn's failure to give his firm prior written notice of the outside business activities prevented the firm from considering issues such as whether his outside business activities would interfere with his responsibilities to the firm or its customers, and whether customers or the public would incorrectly view the activities as part of the firm's business. The findings also stated that Krohn's private securities transactions were outside the scope of his employment with the firm and he did not notify his firm about his role in them nor whether he had



received or expected to receive selling compensation. Krohn made some of those purchases through the investing company that he owned jointly with a customer.

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: 05/29/2018

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:	three months
Start Date:	06/04/2018
End Date:	09/03/2018



Monetary Sanction 1 of 1

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

Total Amount: \$10,000.00

Portion Levied against individual: \$10,000.00

Payment Plan: Deferred

Is Payment Plan Current:

Date Paid by individual:

Was any portion of penalty waived? No

Amount Waived:



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 2

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	Principal Securities, Inc.
Allegations:	Client is requesting reimbursement for an investment he made into a private placement allegedly solicited by the registered representative. The private placement was not an offered product of the firm.
Product Type:	Other: Private Placement
Alleged Damages:	\$97,000.00
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:	09/07/2017
Complaint Pending?	No
Status:	Denied
Status Date:	12/21/2017
Settlement Amount:	
Individual Contribution Amount:	

Disclosure 2 of 2

Reporting Source:	Broker
Employing firm when activities occurred which led to the complaint:	PRINCOR FINANCIAL SERVICES CORPORATION



Allegations: CLIENT'S HUSBAND IS ALLEGING THAT A VARIABLE ANNUITY ISN'T IN THE CLIENT'S BEST INTEREST. SALE TOOK PLACE 4/24/06. IT IS A ROLLOVER IRA.

Product Type: Annuity(ies) - Variable

Alleged Damages: \$5,696.00

Customer Complaint Information

Date Complaint Received: 11/21/2007

Complaint Pending? No

Status: Denied

Status Date: 12/10/2007

Settlement Amount:

Individual Contribution Amount:



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 3

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	Principal Securities, Inc.
Allegations:	The claimants allege the firm failed to supervise John Krohn's private securities transactions and dealings with claimants, is liable for Mr. Krohn's misconduct and claimant's losses.
Product Type:	Other: Selling Away
Alleged Damages:	\$10,000,000.00
Alleged Damages Amount Explanation (if amount not exact):	Claimants allege compensatory damages of \$10M with interest; attorney's fees; expert fees; forum fees; punitive damages; treble damages; such other and further relief as the panel deems just and proper.
Is this an oral complaint?	No
Is this a written complaint?	No
Is this an arbitration/CFTC reparation or civil litigation?	Yes
Arbitration/Reparation forum or court name and location:	FINRA
Docket/Case #:	20-00936
Filing date of arbitration/CFTC reparation or civil litigation:	03/21/2020

Customer Complaint Information

Date Complaint Received:	04/06/2020
Complaint Pending?	Yes
Settlement Amount:	



Individual Contribution Amount:

Disclosure 2 of 3

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	Principal Securities, Inc.
Allegations:	The claimants allege the firm failed to supervise John Krohn's private securities transactions; his selling away activities; and his outside business activities that resulted in damages to them.
Product Type:	Promissory Note Other: Selling Away
Alleged Damages:	\$1,200,000.00
Alleged Damages Amount Explanation (if amount not exact):	Claimants allege compensatory damages of \$1.2M with interest; attorney's fees; expert fees; forum fees; punitive damages; treble damages; such other and further relief as the panel deems just and proper.
Is this an oral complaint?	No
Is this a written complaint?	No
Is this an arbitration/CFTC reparation or civil litigation?	Yes
Arbitration/Reparation forum or court name and location:	FINRA
Docket/Case #:	20-00561
Filing date of arbitration/CFTC reparation or civil litigation:	02/14/2020

Customer Complaint Information

Date Complaint Received:	02/25/2020
Complaint Pending?	Yes
Settlement Amount:	

Individual Contribution Amount:



Disclosure 3 of 3

Reporting Source:	Firm
Employing firm when activities occurred which led to the complaint:	Principal Securities, Inc.
Allegations:	The claimants assert that John Krohn solicited large investments from them into venture capital companies owned, managed, or controlled at least in part by Krohn.
Product Type:	Other: Selling Away
Alleged Damages:	\$28,000,000.00
Alleged Damages Amount Explanation (if amount not exact):	Claimant demands actual damages of \$28,000,000; punitive damages; interest, together with attorney's fees and costs; and such other and further relief as the panel deems just and proper.
Is this an oral complaint?	No
Is this a written complaint?	No
Is this an arbitration/CFTC reparation or civil litigation?	Yes
Arbitration/Reparation forum or court name and location:	FINRA
Docket/Case #:	19-00520
Filing date of arbitration/CFTC reparation or civil litigation:	02/18/2019

Customer Complaint Information

Date Complaint Received:	02/25/2019
Complaint Pending?	Yes
Settlement Amount:	
Individual Contribution Amount:	

End of Report



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