

STATE OF NEW JERSEY
BUREAU OF SECURITIES
153 Halsey Street
P.O. Box 47029
Newark, New Jersey 07101

IN THE MATTER OF: :

KEVIN P. BRENNAN :

CRD # 3009014 :

SUMMARY
REVOCATION AND
PENALTY ASSESSMENT
ORDER

Pursuant to the authority granted to the Chief of the New Jersey Bureau of Securities (“Bureau”) by the Uniform Securities Law, as amended, L. 1997, c. 276 N.J.S.A. 49:3-47 et seq., more particularly, N.J.S.A. 49:3-58 and N.J.S.A. 49:3-70.1, and after careful review and due consideration of the Bureau’s records, the Summary Order Denying Application for Securities Agent License in the State of Iowa on August 25, 2008, the Letter of Acceptance, Waiver and Consent No. 20070073586-04, accepted by Financial Industry Regulatory Authority (“FINRA”) on September 10, 2009, and the Administrative Consent Order issued by the State of Nevada on March 16, 2010, the Bureau Chief has determined that the agent registration of Kevin P. Brennan shall be **REVOKED** and that a monetary penalty shall be issued against Kevin P. Brennan for the reasons that follow:

1. Kevin P. Brennan (“Brennan”), residing in Garden City, New York, has been registered with the Bureau as an agent of various firms since August 13, 1998.

2. Currently, Brennan has been registered, subject to a heightened supervisory agreement (“Supervisory Agreement”), with the Bureau as an agent of Andrew Garrett, Inc. (“Garrett”) (CRD # 29931) since May 1, 2009.

Brennan Orders

3. On August 25, 2008, the Iowa Insurance Commissioner issued a Summary Order denying Brennan’s application for a securities agent license in the State of Iowa (“Iowa Order”). Iowa’s decision was based in part on: (a) Brennan’s entering into a consent order with FINRA on July 31, 2007, in which Brennan’s registration with FINRA was suspended for a period of sixty days and he was assessed a fine in the amount of \$20,000; and (b) Brennan’s entering into a consent order with the State of Connecticut on March 24, 2008, in which the State of Connecticut revoked his registration as a securities agent and also barred him from reapplying for a period of seven years.

4. On September 9, 2009, Brennan signed a Letter of Acceptance, Waiver and Consent (the “AWC”) with FINRA in which Brennan consented to findings without admitting or denying that he: (a) failed reasonably to supervise registered representatives who conducted and operated a securities business from an unregistered branch office; and (b) failed to timely amend his Form U-4 to indicate that he was the subject of a regulatory investigation and/or proceeding, based on his receipt of a Wells Notice from the Securities and Exchange Commission.

5. The AWC stipulated Brennan’s consent to a fine of \$15,000 and a suspension from association with any FINRA member in any principal capacity for six months. The

AWC was accepted by FINRA on September 10, 2009, and the suspension was in effect from December 21, 2009 to June 20, 2010.

6. On March 16, 2010, Brennan entered into a consent order with the Securities Division of the Office of the Nevada Secretary of State in which Brennan's license to act as a sales representative acting for a broker dealer in the State of Nevada was revoked ("Nevada Order").

Supervisory Agreement

7. As a condition to Brennan's registration as an agent, Brennan signed the Supervisory Agreement on April 24, 2009. John McHoul (CRD # 2073969), then as Branch Supervisor of Garrett, signed the Supervisory Agreement on behalf of Garrett on April 24, 2009, and Mark Maurer (CRD # 1496683), as Chief Compliance Officer of Garrett, signed the Supervisory Agreement on behalf of Garrett on April 27, 2009.

8. Paragraph 14 of the Supervisory Agreement states that "[Garrett] and Brennan will have joint responsibility for notifying the Bureau of Securities of any new or updated customer complaint, civil or criminal action, regulatory action, arbitration or investigation instituted against Brennan within 10 business days of the occurrence."

9. The Agreement states that all required notifications "...shall be addressed to the Supervisor, Agent Registration" at the Bureau's current office address.

10. In addition, pursuant to N.J.A.C. 13:47A-7.8, any information required to be filed directly with the Bureau will have no effect and the information will be considered as "not filed" if the information is filed only with the CRD.

11. It has come to the attention of the Bureau that:

a) On June 1, 2009, Garrett filed a U-4 Amendment on the CRD updating Brennan's disclosure history to report the amended status of a customer complaint that had been filed against Brennan. The complaint had been closed with no action taken.

b) On September 9, 2009, Brennan submitted the AWC to FINRA in response to allegations that Brennan: (a) failed reasonably to supervise registered representatives who conducted and operated a securities business from an unregistered branch office; and (b) failed to timely amend his Form U-4 to indicate that he was the subject of a regulatory investigation and/or proceeding, based on his receipt of a Wells Notice from the Securities and Exchange Commission.

c) The AWC stipulated Brennan's consent to a fine of \$15,000 and a suspension from association with any FINRA member in any principal capacity for six months. The AWC was accepted by FINRA on September 10, 2009, and the suspension was in effect from December 21, 2009 to June 20, 2010.

d) On February 1, 2010, Garrett filed a U-4 Amendment on the CRD updating Brennan's disclosure history to report the amended status of a customer complaint that had been filed against Brennan. The complaint had been disposed through arbitration for settlement in the amount of \$90,000.

e) On March 16, 2010, the State of Nevada issued an Administrative Consent Order revoking Brennan's license to act as a sales representative acting for a broker dealer in the State of Nevada.

12. Brennan and Garrett failed to notify the Bureau of the updated status of the two customer complaints filed on June 1, 2009 and February 1, 2010, as required by paragraph 14 of the Agreement.

13. Brennan and Garrett failed to notify the Bureau of FINRA's actions involving Brennan, as required by paragraph 14 of the Agreement.

14. Brennan and Garrett failed to notify the Bureau of the State of Nevada's actions involving Brennan, as required by paragraph 14 of the Agreement.

BRENNAN IS THE SUBJECT OF AN ORDER OF A STATE SECURITIES
REGULATOR DENYING HIS SECURITIES LICENSE

N.J.S.A. 49:3-58(a)(1)
N.J.S.A. 49:3-58(a)(2)(vi)

15. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

16. Pursuant to the Iowa Order and the Nevada Order, Brennan's application for a securities agent license has been denied by the Iowa Insurance Commissioner, and his license to act as a sales representative acting for a broker dealer in the State of Nevada has been revoked by the Securities Division of the Office of the Nevada Secretary of State. This is cause, pursuant to N.J.S.A. 49:3-58(a)(2)(vi), to revoke Brennan's registration.

17. Based upon the foregoing, the revocation of Brennan's registration as an agent is in the public interest and necessary for the protection of investors.

BRENNAN IS THE SUBJECT OF AN ORDER OF A SELF-REGULATORY
ORGANIZATION SUSPENDING HIM FROM A NATIONAL
SECURITIES ASSOCIATION

N.J.S.A. 49:3-58(a)(1)
N.J.S.A. 49:3-58(a)(2)(vi)

18. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

19. Pursuant to N.J.S.A. 49:3-58(a):

[t]he bureau chief may by order deny, suspend, or revoke any registration if he finds: (1) that the order is in the public interest; and (2) that the applicant or registrant...(vi)...is the subject of an order of...a self-regulatory organization...suspending or expelling him from a national securities or commodities exchange or national securities or commodities association...

20. Having consented to a suspension from association with any FINRA member in any principal capacity for six months, Brennan has effectively been suspended from a national securities association. This is cause, pursuant to N.J.S.A. 49:3-58(a)(2)(vi) to revoke Brennan's registration.

21. Based upon the foregoing, the revocation of Brennan's registration as an agent is in the public interest and necessary for the protection of investors.

BRENNAN HAS FAILED TO COMPLY WITH THE TERMS OF THE
SUPERVISORY AGREEMENT

N.J.A.C. 13:47A-14.16

N.J.S.A. 49:3-58(a)(1)

N.J.S.A. 49:3-58(a)(2)(ii)

22. The preceding paragraphs are incorporated by reference as though set forth verbatim herein.

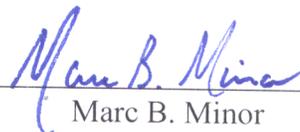
23. During the relevant time period herein, Brennan failed to notify the Bureau of any new or updated customer complaint, civil or criminal action, regulatory action, arbitration or investigation instituted against Brennan as required by the Supervisory Agreement.

24. The Supervisory Agreement states that “[f]ailure to comply with this agreement shall be deemed to be a violation of N.J.A.C. 13:47A-14.16 which entitles the Bureau to impose sanctions.”

25. This is cause, pursuant to N.J.S.A. 49:3-58(a)(2)(ii) to revoke Brennan’s registration. Further, this is cause, pursuant to N.J.S.A. 49:3-70.1 to assess civil monetary penalties against Brennan.

CONCLUSION

For the reasons stated above, it is on this 18th day of August, 2010, hereby **ORDERED** that the agent registration of Kevin P. Brennan be **REVOKED** pursuant to N.J.S.A. 49:3-58(a)(1), N.J.S.A. 49:3-58(a)(2)(ii), and N.J.S.A. 49:3-58(a)(2)(vi). Further, it is hereby **ORDERED** that Kevin P. Brennan is assessed a civil monetary penalty in the amount of \$ 15,000 pursuant to N.J.S.A. 49:3-70.1, which shall be paid to the Bureau within thirty (30) days of the execution of this order.



Marc B. Minor
Chief, Bureau of Securities

NOTICE OF RIGHT TO HEARING

Pursuant to the Uniform Securities Law (1997), N.J.S.A. 49:3-47 et seq., specifically, N.J.S.A. 49:3-58(c), the bureau chief shall entertain on no less than three days notice, a written application to lift the summary revocation on written application of the applicant or registrant and in connection therewith may, but need not, hold a hearing

and hear testimony, but shall provide to the applicant or registrant a written statement of the reasons for the summary revocation.

This matter will be set down for a hearing if a written request for such a hearing is filed with the Bureau within 15 days after the respondent receives this Order. A request for a hearing must be accompanied by a written response, which addresses specifically each of the allegations set forth in the Order. A general denial is unacceptable. At any hearing involving this matter, an individual respondent may appear on his/her own behalf or be represented by an attorney.

Orders issued pursuant to this subsection to suspend or revoke any registration shall be subject to an application to vacate upon 10 days' notice, and a preliminary hearing on the order to suspend or revoke any registration shall be held in any event within 20 days after it is requested, and the filing of a motion to vacate the order shall toll the time for filing an answer and written request for a hearing.

If no hearing is requested, the Order shall be entered as a Final Order and will remain in effect until modified or vacated. If a hearing is held, the Bureau Chief shall affirm, vacate or modify the order in accord with the findings made at the hearing.

NOTICE OF OTHER ENFORCEMENT REMEDIES

You are advised that the Uniform Securities Law provides several enforcement remedies, which are available to be exercised by the Bureau Chief, either alone or in combination. These remedies include, in addition to this action revoking your registration and assessing a civil monetary penalty, the right to seek and obtain injunctive and ancillary relief in a civil enforcement action, N.J.S.A. 49:3-69.

You are further advised that the entry of the relief requested does not preclude the Bureau Chief from seeking and obtaining other enforcement remedies against you in connection with the claims made against you in this action.