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

IN THE MATTER OF

KEVIN P. BRENNAN

ADMINISTRATIVE CONSENT ORDER

CRD # 3009014

This matter was commenced by the issuance of a Summary Revocation and Penalty Order on August 18, 2010, by the Chief of the New Jersey Bureau of Securities (the "Bureau" and the "Bureau Chief"), which revoked the agent registration of Respondent Kevin P. Brennan ("Brennan") and imposed a civil monetary penalty. After due consideration of documentation provided by Brennan and his employer, Andrew Garrett, Inc. ("Garrett"), showing mitigating factors and corrective action, Brennan, through counsel, and the Bureau now desire to settle this matter as set forth below.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

The Bureau Chief makes the following findings of fact and conclusions of law, which Brennan neither admits nor denies:

1. Brennan, residing in Garden City, New York, has been registered with the Bureau as an agent of various firms since August 13, 1998.
2. The Bureau approved an agent registration with Garrett on May 1, 2009 for Brennan, contingent upon his signing a heightened supervisory agreement ("Supervisory Agreement") pursuant to N.J.A.C. 13:47A-3.1(d).
3. The Bureau Chief issued a Summary Revocation and Penalty Order on August 18, 2010 against Brennan, pursuant to which Brennan's registration with the Bureau as an agent was revoked.

Brennan Orders

4. 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.

5. 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.
6. 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.
7. 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

8. As a condition to Brennan's registration with the Bureau 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.

9. 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."
10. The Supervisory Agreement states that all required notifications "...shall be addressed to the Supervisor, Agent Registration" at the Bureau's current office address.
11. 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.
12. It came 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 AWC to FINRA in response to allegations that Brennan: (i) failed reasonably to supervise registered representatives who conducted and operated a securities business from an unregistered branch office; and (ii) 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 \$60,000; and

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.

13. 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.
14. Brennan and Garrett failed to notify the Bureau of FINRA's actions involving Brennan, as required by paragraph 14 of the Supervisory Agreement.
15. Brennan and Garrett failed to notify the Bureau of the State of Nevada's actions involving Brennan, as required by paragraph 14 of the Supervisory Agreement.
16. Pursuant to the Iowa Order and the Nevada Order, Brennan's application for a securities agent license was 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 was revoked by the Securities Division of the Office of the Nevada Secretary of State.
17. 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.
18. 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.

19. Garrett and Brennan have provided information to the Bureau which sets forth mitigating factors and certain corrective action taken by Garrett since at least April 21, 2009.

Therefore, based on the findings of fact, conclusions of law, certain mitigating factors and corrective action, and for the protection of the public interest, it is on this 10th day of May, 2011, hereby **ORDERED and AGREED:**

20. The Bureau Chief's Summary Revocation and Penalty Order issued on August 18, 2010 against Brennan be and is hereby vacated.
21. Brennan may register with the Bureau as an agent, subject to and conditioned upon the following:
- a. Execution of a Heightened Supervisory Agreement with the Bureau to be signed by Brennan, Garrett and Brennan's supervisor, the terms of which shall be within the sole discretion of the Bureau Chief;
 - b. Payment of a civil monetary penalty in the amount of \$5,000 pursuant to N.J.S.A. 49:3-70.1, which shall be paid to the Bureau upon execution of this order.

GENERAL PROVISIONS

22. Brennan, by his signature below, in consideration of his desire to resolve the issues herein and having had full

opportunity to consult with counsel, hereby consents to the jurisdiction of the Bureau and voluntarily waives any right to assert any defenses, or to raise any challenge that he otherwise may have had to the Summary Revocation and Penalty Order issued August 18, 2010, and this Administrative Consent Order.

23. This Administrative Consent Order shall not bind any person not a party thereto. Each of the undersigned has read this Administrative Consent Order, understands it, and agrees to be bound by its terms.
24. Brennan agrees that for purposes of this matter or future proceedings to enforce this Administrative Consent Order that this Administrative Consent Order shall have the same effect as if proven and ordered after a full hearing pursuant to N.J.S.A. 52:14B-1 et seq.
25. Brennan shall not represent or imply that any act or practice hereinafter used or engaged in by Brennan has been required or approved, in whole or in part, by the State of New Jersey, the Attorney General of New Jersey, the Division of Consumer Affairs, the Bureau of Securities, or any of the

State's agencies, agents or subdivisions.

Handwritten signature of Amy Kopleton in cursive script, written over a horizontal line.

Amy Kopleton
Acting Chief
Bureau of Securities

PAULA T. DOW
Attorney General of New Jersey

By: 
Victoria A. Manning
Deputy Attorney General

Dated: 5/9/11

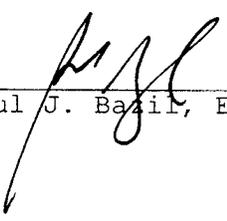
The undersigned has reviewed this Administrative Consent Order, and had legal counsel before signing it, and agrees to be bound by the terms herein.

I consent to the form and entry of this Administrative Consent Order


Kevin P. Brennan, Respondent

Dated: 5/4/11

PICKARD AND DJINIS LLP
1990 M Street, N.W.
Washington, DC 20038
Counsel for Respondent
Kevin P. Brennan

Reviewed By: 
Paul J. Bazil, Esq.

Dated: 5/6/11



CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

New Jersey Office of the Attorney General

Division of Consumer Affairs
Bureau of Securities
153 Halsey Street, 6th Floor, Newark, NJ 07102



PAULA T. DOW
Attorney General

THOMAS R. CALCAGNI
Acting Director

AGREEMENT

IN RE: Kevin P. Brennan - (CRD# 3009014)

Mailing Address:
P.O. Box 47029
Newark, NJ 07101
(973) 504-3600

As a condition to the registration of Kevin P. Brennan as an agent, Andrew Garrett Inc. ("AGI") and Kevin P. Brennan ("Brennan") agree to the following:

1. AGI is cognizant of the applicant agent's CRD disciplinary history.
2. The applicant, while employed by AGI, has not offered or sold securities to New Jersey residents or persons who have New Jersey addresses during the period of revocation from August 18, 2010 to the present.
3. Brennan shall not act in a supervisory capacity with respect to any other registered representative.
4. Brennan shall receive strict supervision as an agent by Jamie Mercado ("Mercado"), (CRD# 2863760) who shall be resident in the same office of employment address as Brennan. Mercado accepts such supervisory responsibilities by signing this agreement.
5. In the event that Mercado, or any other person approved by the New Jersey Bureau of Securities ("the Bureau") to supervise Brennan is, for any reason, no longer responsible for Brennan's supervision, AGI will submit the name and CRD number of another person to supervise Brennan for the Bureau's approval at least two (2) weeks in advance of the change when possible. If such appointment is not approved by the Bureau, AGI will submit the name of another person for the Bureau's approval or withdraw Brennan's registration in this state.
6. Brennan shall not have any legal or beneficial ownership interest, nor exercise any direct or indirect involvement in the direction or control of any broker-dealer or investment adviser or branch office.
7. Brennan shall not exercise any discretionary authority in a New Jersey customer account or accept orders for an account from a person other than the customer.
8. All new account forms or changes in investment goals by any of Brennan's New Jersey clients shall be signed off in writing by Mercado.

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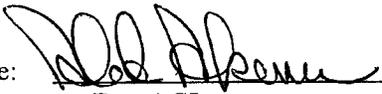
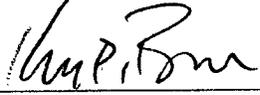
IN RE: Kevin P. Brennan - (CRD# 3009014)

9. Brennan shall not transact the sale of any security from a New Jersey resident unless that security is exempt from registration pursuant to N.J.S.A. 49:3-50(a)(8), e.g., it is listed on the New York Stock Exchange, the American Stock Exchange, the Nasdaq/Global Select Market, Nasdaq /Capital Market, Nasdaq/ Global Market, the Philadelphia Stock Exchange Tier 1 Securities, the Pacific Stock Exchange Tier 1 Securities, the Chicago Board Options Exchange, or the Chicago Stock Exchange equities.
10. Brennan shall not sell equities from AGI's inventory to a New Jersey resident that is not sold on one of the exchanges listed above.
11. Brennan shall not solicit sales in Mutual Fund or Unit Investment Trust unless it is properly filed with the securities regulators in the states where the seller and the purchaser are located, and registered with the Securities Exchange Commission.
12. Mercado will independently confirm every Brennan transaction for a New Jersey client by calling each Brennan customer on trade date to validate the customer's awareness of and agreement to all trade details, and will note such review in the firm's books and records.
13. Mercado will utilize the Sunguard ProSurv trade summary filter system, which provides AGI with the ability to conduct a supplemental day after trade day review for all New Jersey transactions through, among other things, the use of a color-coded flag system. Transactions flagged with a red or yellow code will be acted upon by Mercado to determine whether the transaction should be approved, and noting such determination in the ProSurv system.
14. Brennan shall not be permitted to have any joint brokerage and/or commission accounts for New Jersey customers with any other registered representative nor shall he be permitted to share commissions with any individual.
15. AGI 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, internal review or investigation instituted against Brennan within 10 business days of the occurrence. The Bureau shall be notified whether or not the matters are deemed reportable by FINRA or have been expunged. Include all documents such as the customer Complaint, Statement of Claim, Answer, Settlement Agreement and orders issued by any other regulatory agency.
16. AGI will conduct a monthly review of Brennan's securities activity. Such review shall be memorialized by a memo as to the nature of the review undertaken and any problems noted. The review reports will be maintained by the firm.
17. All notifications required in this agreement shall be addressed to the Supervisor, Agent Registration at the following address: 153 Halsey Street, 6th Floor, Newark, NJ 07102 or any subsequent office location.
18. AGI and Brennan shall cooperate fully with the Bureau in any Bureau investigation. Failure 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.

AGREEMENT (Page 3)

IN RE: Kevin P. Brennan - (CRD# 3009014)

19. AGI may, after the period of two years from the date of this agreement, send a written request to have this agreement removed. Determination as to whether the agreement will be lifted shall be solely at the discretion of the New Jersey Bureau of Securities.

Signature: <u></u>	<u></u>
For: AGI	Kevin P. Brennan
Print Name: <u>ALBERT AKEEM</u>	
Title: <u>CCO & MD</u>	Title: <u>Registered Representative</u>
Date: <u>5/4/11</u>	Date: <u>5/4/11</u>
Signature: <u></u>	
Jamie Mercado	
Title: <u>Supervisor</u>	
Date: <u>5/4/11</u>	