

STATE OF NEW JERSEY
BUREAU OF SECURITIES
P.O. BOX 47029
NEWARK, New Jersey 07101
(973) 504-3600

IN THE MATTER OF: _____ :
 :
 :
 Brian McCahery :
 (CRD #2342887) : SUMMARY BAR ORDER
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 :
 Respondent. :
 :

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., (“Securities Law”), more specifically, N.J.S.A. 49:3-56, and after careful review and due consideration of:

- 1) Information in the case of United States of America v. Brian McCahery, Criminal No. 12-615-01, filed on September 17, 2012, in the United States District Court, District of New Jersey (“Information”);
- 2) Judgment in a Criminal Case, March 18, 2013, United States of America v. Brian McCahery, United States District Court, District of New Jersey (“Judgment in a Criminal Case”).

The Bureau Chief makes the following findings of fact and conclusions of law:

1. Brian McCahery (“McCahery”) was an employee of a “day trading” company in Matawan, New Jersey (“Company”). The Company provided computer terminals, capital,

and other business services to “day traders,” persons who traded shares of public companies in an attempt to make profits.

2. The Information issued against McCahery alleged, among other things, that McCahery fraudulently obtained approximately \$1,200,000 from various purported investors.
3. The Information alleged McCahery used the name of the Company to promise purported investors a high rate of return on initial investments through the Company, and that such investments would be used to purchase short-term equity funds and in some instances, Initial Public Offerings.
4. Instead, McCahery used most of the \$1,200,000 on personal expenditures or to pay various purported investors “lulling” payments to extend the life of the scheme.
5. The Information alleged McCahery would falsely inform investors where their money was being invested as well as the current value of their investment accounts. Such investment accounts for the most part were never created.
6. The Information further alleged McCahery modified a software program that he obtained at the Company to allow certain purported investors to use the Internet remotely to “log on” and to check the balance of their purported investment accounts. The software program contained false figures that McCahery had entered to convince purported investors that their money had been invested and was increasing in value, when in fact that was not the case.
7. On March 15, 2013, a Judgment in a Criminal Case was entered against McCahery for one (1) count of Money Laundering (transacting in criminal property) for which he had pled guilty. He was sentenced to, among other things, imprisonment for seventy-one (71) months. Upon release from imprisonment, McCahery was sentenced to supervised release

for three years, which includes a prohibition from incurring any new debt, and to refrain from employment that involves fiduciary responsibility. It was also so ordered that McCahery pay \$100 special assessment and make restitution in the amount of \$1,196,466.89.

8. The fact that McCahery was convicted of crimes involving theft or fraudulent practices related to the securities business is grounds pursuant to N.J.S.A. 49:3-56(k) to summarily bar McCahery from being a partner, officer or director of an issuer, broker-dealer or investment adviser, or from occupying a similar status or performing a similar function or from directly or indirectly controlling or being controlled by an issuer, broker-dealer or investment adviser, or from acting as a broker-dealer, agent or investment adviser in New Jersey.

For the reasons stated above, it is on this TH DAY of August 2013,

ORDERED that Brian McCahery be, and hereby is, summarily barred, pursuant to N.J.S.A. 49:3-56(k), from being a partner, officer or director of an issuer, broker-dealer or investment adviser, or from occupying a similar status or performing a similar function or from directly or indirectly controlling or being controlled by an issuer, broker-dealer or investment adviser, or from acting as a broker-dealer, agent or investment adviser in New Jersey; and it is further

ORDERED that exemptions to certain securities transactions provided by N.J.S.A. 49:3-50 are hereby denied; and it is further

ORDERED that the exemptions to the registration requirements provided by N.J.S.A.
49:3-56 are hereby denied

A copy of this Order shall be promptly served upon Brian McCahery.

By: 
Abbe R. Tiger
Chief, Bureau of Securities

NOTICE OF RIGHT TO HEARING

Pursuant to N.J.S.A. 49:3-56(k), any person barred by this subsection shall be entitled to request a hearing by the same procedures as set forth in subsection (c) of N.J.S.A. 49:3-50. Pursuant to N.J.S.A. 49:3-50(c)(1), upon service of the order issued by the Bureau Chief, the respondent shall have up to 15 days to respond to the Bureau in the form of a written answer and written request for a hearing. The Bureau Chief shall, within five days of receiving the answer and a request for a hearing, either transmit the matter to the Office of Administrative Law for a hearing or schedule a hearing at the Bureau. Orders issued pursuant to subsection (c) shall be subject to an application to vacate upon 10 days' notice, and a preliminary hearing on the order 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.

Pursuant to N.J.S.A. 49:3-50(c)(2) if a respondent fails to respond by either filing a written answer and written request for a hearing with the Bureau or moving to vacate an order within the 15 day prescribed period, the respondent shall be deemed to have waived the opportunity to be heard. The Order will become a Final Order and remain in effect until modified or vacated upon notice to all interested parties by the Bureau Chief.

NOTICE OF OTHER ENFORCEMENT REMEDIES

You are advised that the Uniform Securities Law (1997), N.J.S.A. 49:3-47, 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, 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 this Order 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.