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

IN THE MATTER OF: Brenda A. Pilon (CRD # 1302729) RESPONDENT	))))))	**SUMMARY PENALTY ORDER**

Pursuant to the authority granted to Laura H. Posner, Bureau Chief of the New Jersey Bureau of Securities ("Bureau Chief"), under the Uniform Securities Law (1997), N.J.S.A. 49:3-47 et seq. ("Securities Law"), and after investigation, careful review, and due consideration of the facts and statutory provisions set forth below, the Bureau Chief hereby finds that there is good cause and it is in the public interest to enter this Summary Penalty Order and makes the following findings of fact and conclusions of law.

FINDINGS OF FACT

1. Brenda A. Pilon (CRD # 1302729) ("Pilon"), currently residing in Howell, New Jersey, has never been registered with the Bureau as an agent or investment adviser representative.
2. Pilon had a personal trading account with a broker-dealer registered with the Bureau, Tradestation Securities, Inc. (CRD # 39473).
3. In or about 2011, TM, a resident of Lincroft, New Jersey, met Pilon through Craigslist. Pilon and TM became friends, and TM began to trust Pilon.

4. In or about 2013, TM decided to allow Pilon to place trades in TM's individual retirement account ("IRA").
5. TM initially tried to give Pilon authorization to trade in his IRA. However, the broker-dealer which maintained the account would not allow her access since Pilon failed to provide the broker-dealer with the appropriate information. Eventually, TM allowed Pilon to trade in his IRA by just giving Pilon his login information.
6. Sometime thereafter, Pilon told TM that she did not like trading through TM's IRA due to its limitations and restrictions and that she wanted more flexibility to trade for TM. Pilon asked TM to instead provide her with funds to trade in Pilon's own account for TM.
7. Based upon Pilon's trading results in TM's IRA for 2013, TM agreed to transfer funds to Pilon's brokerage account at Tradestation Securities, Inc. ("Pilon Tradestation account") from his IRA.
8. On November 28, 2013, TM confirmed by email that he would transfer $42,750.00 into Pilon's Tradestation account for "trading and investing." TM stated in the email that the funds were to be returned to his IRA on January 25, 2014, "to avoid early withdrawal penalties or income taxes."
9. TM agreed by email that Pilon would receive twenty-five percent (25%) of any profits that resulted from Pilon's trading of TM's funds.
10. In November 2013, TM transferred funds from his IRA to his checking account with Chase Bank. Thereafter, TM withdrew $42,750.00 from Chase Bank in the form of a cashier's check made payable to Pilon.

11. On December 2, 2013, Pilon deposited TM's $42,750.00 cashier's check in her personal checking account with First Constitution Bank.
12. On December 3, 2013, Pilon transferred $22,750.00 of the $42,750.00 to her Tradestation account. The same day, Pilon withdrew $16,000.00 of TM's funds in cash from her First Constitution Bank account and used the money to repay a personal loan.
13. Between December 16, 2013 and January 28, 2014, Pilon made four wire transfers of TM's funds totaling $14,580.64 from her Tradestation account back into her First Constitution Bank account. Pilon used at least $4,419.64 of these funds, plus at least an additional $4,000.00 of TM's funds that remained in Pilon's personal checking account with First Constitution Bank, for personal expenses as set forth below in paragraphs 18, 19, 22 and 23.
14. On or about January 24, 2014, Pilon repaid TM's IRA account $6,252.00 by check with TM's funds from her First Constitution Bank account.
15. On or about January 29, 2014, Pilon repaid TM $3,909.00 by check with TM's funds from her First Constitution Bank account.
16. On or about January 29, 2014, Pilon informed TM that his investment had suffered losses.
17. On February 14, 2014, TM asked Pilon to provide details of the losses, specifically, an account statement(s) showing the securities where the losses occurred.
18. On or about March 7, 2014, Pilon met with TM and told him that of the $42,750.00 TM had invested with Pilon, only $22,750.00 was deposited into the Tradestation account. She advised TM that $12,000.00 of his investment was lost as a result of trading, and an

additional $20,000.00 of his investment was used by Pilon to pay off personal debt and loans.

19. In reality, Pilon had lost $8,017.76 in trading and fees through the Tradestation account, and misused at least $24,000.00 to pay off personal debt and loans and to pay for personal expenses.

20. On March 8, 2013, TM requested that Pilon reimburse TM for the money she misused in monthly increments of $1,000.00 staring on April 10, 2014.

21. Although Pilon claimed she would try to comply with the schedule TM proposed, she claims she has no money.

22. On March 21, 2014, Pilon, in an email to TM, admitted how she spent over $20,000.00 of TM's funds. Pilon claimed she used the money in the following manner:

    a. $16,500.00 to repay a loan;

    b. $750.00 to her church;

    c. $955.00 on rent;

    d. $1,150.00 on car repairs;

    e. $550.00 on food, gas, phone and utilities; and

    f. $290.00 on a car payment.

23. In reality, Pilon misused at least $24,000.00 of TM's funds on, among other things, repaying a loan, donations to her church, rent, car repairs, food, gas, car payments, ATM withdrawals, clothing retailers, book retailers, wireless phone bills, and a fitness center.

24. To date, of the $42,750.00 that TM transferred to Pilon, he has only received approximately $10,986.00 back from Pilon.

CONCLUSIONS OF LAW

PILON MADE MATERIALLY FALSE AND MISLEADING STATEMENTS AND/OR OMITTED MATERIAL FACTS N.J.S.A. 49:3-52(b)

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

26. Pilon made materially false and misleading statements and/or omitted material facts to TM in connection with the offer and sale of securities, including but not limited to that she would deposit TM's funds into her Tradestation account and use the money to trade on TM's behalf. Instead, she used at least $24,000.00 for personal expenses.

27. Each omission or materially false or misleading statement was in violation of N.J.S.A. 49:3-52(b).

28. Each violation of N.J.S.A. 49:3-52(b) is a separate violation of the Securities Law and is cause for the imposition of a civil monetary penalty for each separate violation pursuant to N.J.S.A. 49:3-70.1 and it is in the public interest to revoke certain exemptions.

PILON ENGAGED IN AN ACT OR PRACTICE WHICH WOULD OPERATE AS A FRAUD OR DECEIT UPON ANY PERSON IN CONNECTION WITH THE OFFER, SALE OR PURCHASE OF SECURITIES N.J.S.A. 49:3-52(c)

29. The preceding paragraphs are incorporated by reference as though set forth verbatim herein. Pilon engaged in an act, practice and course of business that operated as a fraud and/or deceit upon TM.

30. Each act or practice was in violation of N.J.S.A. 49:3-52(c).

31. Each violation of N.J.S.A. 49:3-52(c) by Pilon is a separate violation and is cause for the

imposition of a civil monetary penalty for each separate violation pursuant to N.J.S.A. 49:3-70.1 and it is in the public interest to revoke certain exemptions.

ORDER

THEREFORE, it is on this 16th day of November 2015, hereby **ORDERED that:**

32. Brenda A. Pilon CEASE AND DESIST from future violations of the Securities Law; and
33. Brenda A. Pilon is assessed a civil monetary penalty in the amount of thirty-thousand dollars ($30,000.00). The civil monetary penalty is due and payable upon entry of this Summary Penalty Order and is to be paid by certified funds to State of New Jersey, Bureau of Securities 153 Halsey Street, 6th Floor, Newark, New Jersey 07102, or to be received at Bureau of Securities P.O. Box 47029, Newark, New Jersey 07101. The civil monetary penalty payment shall be deposited in the Securities Enforcement Fund, pursuant to N.J.S.A. 49:3-66.1.
34. Brenda A. Pilon is DENIED all exemptions contained in N.J.S.A. 49:3-50, subsection (a), paragraph 9, 10, 11, and subsection (b); and
35. The exemptions to the registration requirements provided by N.J.S.A. 49:3-56(b), N.J.S.A. 49:3-56(c), and N.J.S.A. 49:3-56(g) are hereby DENIED as to Brenda A. Pilon.

Laura H. Posner
Chief, New Jersey Bureau of Securities

NOTICE OF RIGHT TO HEARING

You are advised that upon service of notice of this Penalty Order issued by the Bureau Chief, Respondents shall have up to twenty (20) days to respond to the Bureau in the form of a written answer and written request for a hearing. A request for a hearing must be accompanied by a written response, which addresses specifically each of the reasons set forth in the Order which formed the basis for its entry. A general denial is unacceptable. Within five (5) business days of receiving the written answer and request for a hearing, the Bureau Chief shall either transmit the matter to the Office of Administrative Law for a hearing, or schedule a hearing at the Bureau of Securities. At any hearing involving this matter, an individual respondent may appear on his/her own behalf or be represented by an attorney. If an applicant fails to respond by filing a written answer and request for a hearing with the Bureau within the fifteen (15) day prescribed period, the Order shall become a final order and remain in effect until modified or vacated.

NOTICE OF OTHER ENFORCEMENT REMEDIES

You are advised that the Uniform Securities Law (1997) N.J.S.A. 49:3-47 et seq., 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, and the right to seek and obtain civil penalties in an administrative or civil action, N.J.S.A. 49:3-70.1.

You are further advised that the entry of a Final 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.