

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2015046381101**

TO: Department of Enforcement
Financial Industry Regulatory Authority ("FINRA")

RE: Brian James Egan, Respondent
Former General Securities Representative and Investment Company Shares and Variable
Contracts Representative
CRD No. 4527950

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, I submit this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against me alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. I hereby accept and consent, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

Brian James Egan ("Egan") was associated as a General Securities Representative with Independent Financial Group, LLC ("IFG") from April 2010 until the firm terminated his registration on July 29, 2015. Prior to IFG, Egan was associated with two other member firms from September 2002 to April 2010. Egan is also a CPA with an accounting and tax preparation practice. Egan is not currently associated with a FINRA member firm, but he remains subject to FINRA's jurisdiction pursuant to Article V, Section 4(a) of FINRA's By-Laws of the Corporation.

OVERVIEW

From approximately April 2010 to July 2015 (the relevant period), Egan failed to disclose to IFG 87 outside brokerage accounts he owned or held trading authority over at another FINRA member firm, Firm A, in violation of NASD Rule 3050(c) and FINRA Rule 2010. Egan also made misrepresentations in

compliance forms he submitted to IFG in violation of FINRA Rule 2010. Finally, Egan failed to respond to requests for documents and information requested pursuant to FINRA Rule 8210, and provided false information in response to a request for information. Through this conduct, Egan violated FINRA Rules 8210 and 2010. Egan hereby agrees to a bar from associating with a FINRA member firm in any capacity.

FACTS AND VIOLATIVE CONDUCT

Egan's Accounts at Firm A

During the relevant period when he was associated with IFG, Egan maintained and/or held trading authority in a total of 87 brokerage accounts for himself and over 60 customers at Firm A. The customer accounts over which he held trading authority included both Egan's family members and customers of his tax and accounting service. Egan established the accounts at Firm A before he became associated with IFG. Egan did not notify IFG of his involvement in these accounts when he became associated with the firm, or at any other time. In numerous instances during the relevant period Egan exercised his trading authority in the accounts at Firm A to execute trades and to transfer funds and securities from certain of the customer accounts to his own accounts at Firm A.

Egan's Misrepresentations on Compliance Questionnaires

In six compliance questionnaires Egan submitted to IFG – in April 2010, November 2010, December 2011, December 2012, November 2013, and February 2015 – he certified and/or indicated that he had disclosed to IFG all of his personal trading accounts held away from IFG. However, these compliance questionnaires, and Egan's related certifications, were false because he had not disclosed the 87 accounts he owned or controlled at Firm A.

Egan's Responses to FINRA's Requests

From approximately April 2016 to June 2016, Egan failed to respond to several FINRA Rule 8210 requests for documents and information. He also provided false information in response to one such request.

Specifically, on April 7, 2016, FINRA sent Egan a request for certain information and documents with a due date of April 21, 2016. Egan did not produce the information and documents requested by April 21, 2016. On April 28, 2016, FINRA sent a letter notifying Egan that as a result of his failure to produce information and documents he was in violation of FINRA Rule 8210 and requesting the information and documents by no later than May 13, 2016. On May 4, 2016, at Egan's request, FINRA extended the deadline for his response to May 31, 2016. On May 31, 2016, FINRA received a one-page response from Egan that failed to respond to many of the requests for information and failed to

provide any of the requested documents. In the letter, Egan also provided a response to one of the requests in which he falsely stated that he did not maintain trading authority for any persons or entities in accounts at Firm A when, as described above, he did have such authority in 87 accounts.

Violations

NASD Rule 3050(c) requires that an associated person, “prior to opening an account or placing an initial order for the purchase or sale of securities with another member, shall notify both the employer member and the executing member, in writing, of his or her association with the other member; provided, however, that if the account was established prior to the association of the person with the employer member, the associated person shall notify both members in writing promptly after becoming so associated.” While Rule 3050(c) applies to accounts held by a person associated with a member and maintained by another member, Rule 3050(e) extends the written notification requirement of Rule 3050(c) to accounts in which an associated person has either a financial interest or discretionary trading authority. By failing to provide prompt written notice to IFG of the multiple accounts at Firm A that he maintained for himself or in which he held trading authority, Egan violated NASD Rule 3050(c) and FINRA Rule 2010.

FINRA Rule 2010 requires associated persons to observe high standards of commercial honor and just and equitable principles of trade. By providing misleading and false answers on six IFG compliance questionnaires, Egan violated FINRA Rule 2010.

FINRA Rule 8210 “require[s] a member, or person associated with a member, or any other person subject to FINRA’s jurisdiction to provide information orally, in writing, or electronically ... with respect to any matter involved in the investigation, complaint, examination, or proceeding.” By failing to respond to FINRA’s requests for documents and information and by providing false information in response to one such request, Egan violated FINRA Rule 8210. As a result of that violation, Egan also violated FINRA Rule 2010.

B. I also consent to the imposition of the following sanctions:

A bar from association with any FINRA member in any capacity.

I understand that if I am barred or suspended from associating with any FINRA member, I become subject to a statutory disqualification as that term is defined in Article III, Section 4 of FINRA’s By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. Accordingly, I may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension (see FINRA Rules 8310 and 8311).

The sanctions imposed herein shall be effective on a date set by FINRA staff. A bar or expulsion shall become effective upon approval or acceptance of this AWC.

II.

WAIVER OF PROCEDURAL RIGHTS

I specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against me;
- B. To be notified of the Complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, I specifically and voluntarily waive any right to claim bias or prejudgment of the Chief Legal Officer, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

I further specifically and voluntarily waive any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

I understand that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;

- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and
- C. If accepted:
1. this AWC will become part of my permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against me;
 2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;
 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
 4. I may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. I may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects my: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

I certify that I have read and understand all of the provisions of this AWC and have been given a full opportunity to ask questions about it; that I have agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce me to submit it.

07/07/2016
Date (mm/dd/yyyy)



Brian James Egan, Respondent

Accepted by FINRA:

8/2/16
Date

Signed on behalf of the
Director of ODA, by delegated authority



Michael J. Rogal
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