

NASD

OFFICE OF HEARING OFFICERS

Department of Enforcement,

Complainant,

v.

Brian T. McGrail,
CRD No. 1945132

Respondent.

Disciplinary Proceeding
No. 20050036344

Hearing Officer - SNB

**ORDER ACCEPTING OFFER OF
SETTLEMENT**

Date:

INTRODUCTION

Disciplinary Proceeding No. 20050036344 was filed on January 18, 2007, by the Department of Enforcement of NASD ("Enforcement"). Respondent Brian T. McGrail submitted an Offer of Settlement ("Offer") to Enforcement on March 1, 2007. Pursuant to Code of Procedure Rule 9270(e), Enforcement and the National Adjudicatory Council ("NAC") Review Subcommittee or the Office of Disciplinary Affairs ("ODA") have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to Code of Procedure Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by Enforcement and approved by the NAC.

Under the terms of the Offer, McGrail has consented, without admitting or denying the allegations of the Complaint, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of NASD, or to which NASD is a party, to the entry of

findings and violations consistent with the allegations of the Complaint, and to the imposition of the sanctions set forth below, and fully understands that this Order will become part of McGrail's permanent disciplinary record and may be considered in any future actions brought by NASD.

BACKGROUND

McGrail became registered with PNC Brokerage Corporation, an NASD member, in March 1994, where he subsequently became registered as a Series 7 representative. His registrations were transferred to member firm J.J.B Hilliard, W. L Lyons, Inc. in June 2002 and subsequently to PNC Investments (Member) in January 2004. McGrail was terminated from the Member in July 2006. McGrail is not currently associated with an NASD Member. McGrail has no disciplinary history.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:

1. On or about July 13, 2005, a grand jury issued a True Bill in Jefferson County, Kentucky charging McGrail with, among other things, one count of Assault in the First Degree and two counts of Wanton Endangerment in the First Degree, Class B and Class D felonies respectively.

2. The True Bill contained allegations that through the use of an automobile, McGrail had caused serious injury to one occupant of another vehicle either intentionally or with extreme indifference to the value of human life, contrary to Kentucky Statute 508.010. It was further alleged that in operating his motor vehicle in a wanton and unsafe manner, McGrail engaged in conduct which created a substantial danger of death or serious physical injury to two occupants of another vehicle, contrary to Kentucky Statute 508.060.

3. On or about August 29, 2005, McGrail appeared with counsel for arraignment in the Jefferson Circuit Court and entered a plea of not guilty.

4. On or about January 10, 2006, McGrail signed a Uniform Application for Securities Industry Registration or Transfer (Form U-4) which disclosed the three felony charges.

5. Although McGrail was continuously registered with the Member between July 13, 2005 and January 10, 2006, and was aware of the felony charges, McGrail failed to timely amend his Form U-4 to disclose the felony charges.

6. The acts, practices and conduct described above constitute separate and distinct violations of NASD Bylaws Article V, Section 2, NASD Conduct Rule 2110 and NASD IM 1000-1 by McGrail.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter McGrail from any future misconduct, and represent a proper discharge by NASD, of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

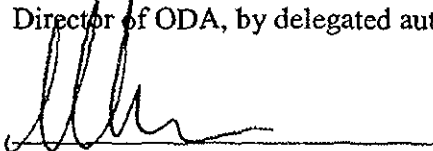
It is ordered that McGrail be suspended for sixty days from association with any member of the NASD in any capacity and fined \$5,000. The fine shall be due and payable either immediately upon reassociation with a member firm following the sixty day suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier. The sanctions imposed herein shall be

effective on a date set by NASD staff.

SO ORDERED.

NASD

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

A handwritten signature in black ink, appearing to read 'MK', is written over a horizontal line.

Marcletta Kerr

Regional Attorney

NASD Department of Enforcement

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