

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

JAN LYNN BRUEGGEMANN
(CRD No. 2714692),

Respondent.

Disciplinary Proceeding
No. 2007008976201

Hearing Officer—Andrew H. Perkins

DEFAULT DECISION

May 22, 2009

Respondent is barred from associating with any member firm in any capacity for engaging in private securities transactions, in violation of Conduct Rules 3040 and 2110, and failing to respond to requests for information issued by FINRA staff, in violation of Procedural Rule 8210 and Conduct Rule 2110. Respondent also violated Conduct Rules 3030 and 2110 by engaging in outside business activities without providing his firm written notice of his activities. For this violation, Respondent is suspended from associating with any member firm in any capacity for one year and fined \$25,000.

Appearances

Cynthia A. Kittle, Senior Regional Counsel, Los Angeles, CA, for the Department of Enforcement.

No appearance by or on behalf of Jan Lynn Brueggemann.

DECISION

I. Introduction

On January 29, 2009, the Department of Enforcement (“Enforcement”) filed the attached Complaint against Jan Lynn Brueggemann (“Brueggemann”). The Complaint charges that Brueggemann: (1) participated in private securities transactions without giving prior written

notice to, and receiving prior written approval from, Empire Securities Corporation (“Empire”), in violation of NASD Conduct Rules 3040 and 2110; (2) engaged in outside business activities without first providing his firm with written notice of his activities, in violation of NASD Conduct Rules 3030 and 2110; and (3) failed to respond to a request for information issued by FINRA staff, in violation of Procedural Rule 8210 and NASD Conduct Rule 2110.¹

Brueggemann did not answer or otherwise respond to the Complaint. Consequently, on April 27, 2009, Enforcement filed a Motion for Entry of Default Decision, supported by the Declaration of Cynthia A. Kittle (“Kittle Decl.”) and six exhibits. Respondent did not reply to the motion.²

II. Findings of Fact and Conclusions of Law

A. Brueggemann’s Default

Enforcement served Brueggemann with notice of the Complaint on January 29, 2009, by first-class and certified mail, return receipt requested, to his residential address recorded in the Central Registration Depository (the “CRD Address”). The certified mailing was returned by the U.S. Postal Service marked, “Returned to Sender-Unclaimed”; the first class mailing was not returned.³

On February 27, 2009, Enforcement served the Second Notice of Complaint and Complaint in the same manner. The receipt for the certified mailing was returned to FINRA by

¹ As of July 30, 2007, NASD consolidated with the member regulation and enforcement functions of NYSE Regulation and began operating under a new corporate name, the Financial Industry Regulatory Authority (FINRA). References in this decision to FINRA include, where appropriate, NASD. Following consolidation, FINRA began developing a new FINRA Consolidated Rulebook. The first phase of the new consolidate rules became effective on December 15, 2008, including certain conduct rules and procedural rules. See Regulatory Notice 08-57 (Oct. 2008). This decision refers to and relies on the NASD Conduct Rules that were in effect at the time of Respondent’s alleged misconduct. The applicable rules are available at www.finra.org/rules.

² The factual determinations in this decision are based on the allegations of the attached Complaint, which are deemed admitted, as well as additional materials filed by Enforcement.

³ Kittle Decl. ¶ 4; CX-4.

the U.S. Postal Service signed by "I. Nunez."⁴ The U.S. Postal Service did not return the first-class mailing containing the Second Notice of Complaint. The Second Notice of Complaint stated that Brueggemann was required to answer the Complaint by March 16, 2009.⁵ To date, Brueggemann has not filed an answer with the Office of Hearing Officers or otherwise responded to the Complaint.

The Hearing Officer finds that Enforcement properly served Brueggemann with the Complaint by mailing the Complaint and the First and Second Notices of Complaint in accordance with FINRA Procedural Rule 9134(b)(1), thereby giving him constructive notice of this disciplinary proceeding. By failing to answer the Complaint, Brueggemann defaulted.⁶ Accordingly, pursuant to Procedural Rules 9215(f) and 9269(a)(2), the Hearing Officer deems the allegations in the attached Complaint admitted and grants Enforcement's motion for entry of a default decision.

B. Jurisdiction

Brueggemann started work in the securities industry in 1996.⁷ Between December 2005 and April 13, 2007, he was registered as a General Securities Representative through Empire.⁸ On April 13, 2007, Empire filed a Uniform Termination Notice for Securities Industry Registration (Form U5) on Brueggemann's behalf with FINRA. The Form U5 disclosed that Empire had discharged Brueggemann for his failure to disclose outside business activity.⁹

⁴ CX-6.

⁵ CX-5.

⁶ *Department of Enforcement v. Reynolds Verdiner*, No. CAF020004, 2003 NASD Discip. LEXIS 42, at *5 (N.A.C. Dec. 9, 2003) (NASD Procedural Rule 9134(b)(1) allows for constructive notice by mailing a complaint to the respondent's most recent CRD address) (quoting *Lubeck v. SEC*, 1998 U.S. App. LEXIS 18849, at *20 (9th Cir. Aug. 12, 1998)).

⁷ CX-1, at 6.

⁸ *Id.* at 4.

⁹ CX-2.

Although Brueggemann has not been registered with FINRA since April 13, 2007, he remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's Bylaws, because (1) the Complaint was filed within two years following the termination of his registration with FINRA, and (2) the Complaint charges him with misconduct committed while he was associated with a FINRA member firm and with failing to respond to FINRA's requests for information made during the two-year period following the termination of his registration.¹⁰

C. Origin of the Underlying Investigation

FINRA began its investigation of Brueggemann after it received the Form U5 filed by Empire, which reported that it had terminated him for cause. In connection with the investigation, the staff sent Brueggemann three requests for information pursuant to Procedural Rule 8210 to obtain additional information concerning his outside business activities while he was associated with Empire. Brueggemann failed to respond to any of the requests.

Enforcement's investigation revealed that, in April 2007, in the course of due diligence on a proposed offering of securities by Gulf Coast Rig & Equipment, LLC ("Gulf Coast"), a company established to lease oil rigs to drilling companies, Empire had discovered that Brueggemann had been involved in a prior Gulf Coast offering. It further discovered that, while registered with the firm, Brueggemann had been operating an undisclosed outside business and had invested in Gulf Coast through this entity. Based on this information, Enforcement filed the Complaint in this proceeding.

¹⁰ Article V, Sec. 4(a), FINRA By-Laws, *available at* www.finra.org/rules (then follow "FINRA Manual" hyperlink to "Corporate Organization: Bylaws").

D. Private Securities Transactions

In the First Cause of Action of Complaint, Enforcement alleged that on or about October 13, 2006, Gulf Coast, a Delaware limited liability company, commenced an unregistered offering of 20,000 Preferred Units at an offering price of \$180 per unit. Under the terms of the offering, each unit represented a preferred membership interest in Gulf Coast, and entitled the investor to certain financial interests, including potential distributions of cash flow, an allocation of the any incurred losses, and a 5% pro rata share of any profit the company generated. The Gulf Coast limited liability company agreement provided that the company was managed by a Board of Managers; at the time of the offering, the Board was comprised of one manager, who had sole authority to act on the company's behalf.

Between about November 21, 2006, and February 7, 2007, Brueggemann sold Preferred Units of Gulf Coast, in the approximate aggregate value of \$1,585,000, to the 29 customers identified in Schedule A of the attached Complaint. Four of the individuals were customers of Empire. In connection with the foregoing sales, Brueggemann received compensation from Gulf Coast in the form of Preferred Units. Under his arrangement with Gulf Coast, Brueggemann purchased Preferred Units at a substantial discount in his name and through his company, Revolution Mini Works, Inc. ("Revolution"). Gulf Coast considered the discount from the offering price to constitute his selling concession.

Brueggemann neither provided Empire with written notification of the proposed transactions, as required by Conduct Rule 3040, nor received written permission from Empire to participate in the Gulf Coast offering. All of the transactions occurred outside the regular course and scope of Brueggemann's association with Empire. Empire did not participate in the Gulf Coast offering in any manner.

NASD Conduct Rule 3040(a) provides that “[n]o person associated with a member shall participate in any manner in a private securities transaction except in accordance with the requirements of this Rule.” Rule 3040 defines a “private securities transaction” as “any securities transaction outside the regular course or scope of an associated person’s employment with a member...” Rule 3040(b) requires the associated person to notify the firm prior to participating in a private securities transaction. Rule 3040 protects investors from unsupervised sales and protects the member firm from liability and loss resulting from those sales. Violation of this rule deprives investors of a member firm’s oversight and due diligence, protections they have a right to expect.¹¹

Enforcement argued that the Preferred Units were securities under Section 3(a)(10) of the Securities Exchange Act of 1934 because they represented interests in an investment contract. Pursuant to *SEC v. W. J. Howey Co.*, 328 U.S. 293, 301 (1946), an investment contract exists if there is present “an investment of money in a common enterprise with profits to come solely from the efforts of others.” The allegations in the Complaint and the evidence submitted by Enforcement with its Motion for Entry of Default are sufficient for the purposes of this Default Decision to support the finding that the interests in Gulf Coast purchased by the investors were securities.¹² Accordingly, the Hearing Officer finds that Brueggemann participated in private securities transactions in violation of NASD Conduct Rule 3040. A violation of Conduct Rule 3040 also constitutes a violation of Conduct Rule 2110.¹³

¹¹ *Philippe N. Keyes*, Exchange Act Rel. No. 54723, 2006 SEC LEXIS 2631, at *14 – *15 (Nov. 8, 2006).

¹² *Cf. Joseph Abbondante*, Exchange Act Rel. No. 53066, 2006 SEC LEXIS 23, at *27 & n.38 (Jan. 6, 2006) (holding that interests in a limited partnership were investment contracts and hence securities).

¹³ *Stephen J. Gluckman*, 54 S.E.C. 175, 185 (July 20, 1999); see also *Charles C. Fawcett, IV*, Exchange Act Rel. No. 56770, 2007 SEC LEXIS 2598, at *11-12 (Nov. 8, 2007) (stating that violations of FINRA rules are inconsistent with just and equitable principles of trade and constitute a violation of Rule 2110.).

E. Unreported Outside Business Activities

The Second Cause of Action alleges that Brueggemann formed a California corporation known as Revolution in December 2006. Revolution was an on-line automotive parts and supplies retailer, which Brueggemann operated and used to purchase 555.56 Preferred Units of the Gulf Coast offering on March 1, 2007. At no point did Brueggemann give Empire written notice of his outside business activities relating to Revolution.

NASD Conduct Rule 3030 provides that no person registered with a member “shall be employed by, or accept compensation from, any other person as a result of any business activity ... outside the scope of his relationship with his employer firm, unless he has provided prompt written notice to the member ... in the form required by the member.” The purpose of Conduct Rule 3030 is to provide member firms with an opportunity to raise any objections to such activities at a meaningful time and to exercise appropriate supervision as necessary under applicable law.¹⁴ Conduct Rule 3030 requires disclosure of all outside business activity, not just securities-related activity.¹⁵

The Hearing Officer finds that the allegations in the Second Cause of Action are sufficient to establish that Brueggemann violated Conduct Rules 3030 and 2110 by failing to provide Empire with written notice of his outside business activities.¹⁶

¹⁴ *Proposed Rule Change by NASD Relating to Outside Business Activities of Associated Persons*, Exchange Act Release No. 26063, 1988 SEC LEXIS 1841 (Sept. 6, 1988), adopted at Exchange Act Release No. 26178, 1988 SEC LEXIS 2032 (Oct. 13, 1988).

¹⁵ *District Bus. Conduct Comm. v. Cruz*, No. C8A930048, 1997 NASD Discip. LEXIS 62, at *96 (N.B.C.C. Oct. 31, 1997).

¹⁶ *Department of Enforcement v. Schneider*, No. C10030088, 2005 NASD Discip. LEXIS 6, at *13-14 (N.A.C. Dec. 7, 2005).

F. Failure to Respond to Requests for Information

The Third Cause of Action alleges that Brueggemann failed to respond to three requests for information concerning his sales of Preferred Units in Gulf Coast. Brueggemann did not respond to any of the requests.

FINRA staff sent the first request dated August 6, 2007, to Brueggemann at his CRD Address by first-class and certified mail, return receipt requested, pursuant to NASD Procedural Rule 8210. FINRA staff received the receipt for the certified mailing on August 8, 2007, signed by Brueggemann.¹⁷ He did not however provide the requested information. Thus, on August 23, 2007, the staff sent Brueggemann a second request for the same information. This time, the U.S. Postal Service returned the certified mailing to FINRA addressed to the CRD Address because it was unclaimed.¹⁸ Brueggemann did not respond to the second request for information.

On September 11, 2007, the staff sent Brueggemann a third request for the same information to his CRD Address by first-class and certified mail, return receipt requested, pursuant to Procedural Rule 8210.¹⁹ Brueggemann did not respond to the third request for information.

The allegations in the Third Cause of Action are sufficient to establish that Brueggemann violated Procedural Rule 8210 and Conduct Rule 2110.

¹⁷ Kittle Decl. ¶ 9.

¹⁸ Kittle Decl. ¶ 12. The staff also sent duplicate copies of the August 23 request to Brueggemann at Revolution's office address and to a second residential address he supplied to the California Department of Insurance. Kittle Decl. ¶¶ 13, 14.

¹⁹ Kittle Decl. ¶ 16. The staff also sent duplicate copies of the request to Revolution's office address and his residential address on record with the California Department of Insurance. Kittle Decl. ¶¶ 16.

III. Sanctions

A. Private Securities Transactions

The FINRA Sanction Guidelines (“Guidelines”) for selling away (private securities transactions) provide that an adjudicator’s first step in determining sanctions is to assess the quantitative extent of the transactions.²⁰ The Guidelines provide for a fine between \$5,000 and \$50,000 and the imposition of a suspension of 12 months to a bar when the dollar amount of the sales exceeds \$1 million. The Guidelines also state that “[t]he presence of one or more mitigating or aggravating factors may either raise or lower the sanctions.”²¹ Thus, the Guidelines direct the Hearing Officer to consider 13 additional principal considerations and the general considerations applicable to all violations in determining the appropriate sanction. These factors include: (1) the dollar volume of sales; (2) the number of customers; (3) the length of time over which the selling away activity occurred; (4) whether the product has been found to violate securities laws; (5) whether the respondent had a beneficial interest in the issuer; and (6) whether the respondent attempted to create the impression that his or her member firm sanctioned the activity.

In this case, the Hearing Officer found a number of aggravating factors, and none that were mitigating. Brueggemann participated in a significant number of transactions over a three-month period. He sold Preferred Units valued at \$1,585,000.00 to 29 investors in 21 transactions. Four of the investors were Empire customers. In addition, there was no evidence that Brueggemann gave Empire verbal notice of his activities. The Hearing Officer concluded that the nature and volume of Brueggemann’s activities warrant a bar.

²⁰ FINRA Sanction Guidelines 15 (2007), available at <http://www.finra.org/RegulatoryEnforcement/index.htm> (then follow “FINRA Sanction Guidelines” hyperlink).

²¹ Sanction Guidelines 15.

B. Outside Business Activities

The Guidelines governing outside business activities recommend a fine of \$2,500 to \$50,000 and a suspension of up to 30 business days where there are no aggravating circumstances.²² Where the outside business activities involve aggravating circumstances, the Guidelines recommend consideration of a suspension of up to one year. In egregious cases involving substantial activity or significant injury, the Guidelines recommend consideration of a longer suspension or a bar.

Under the facts of this case, the relevant principal considerations in determining sanctions for engaging in outside business activities in violation of Conduct Rule 3030 include: (i) whether the outside activity involved customers of the firm; (ii) the number of customers; and (iv) whether the respondent misled his or her employer member firm about the existence of the outside activity or otherwise concealed the activity from the firm.

Brueggemann used Revolution to purchase shares of Gulf Coast at a discount, which represented his compensation for the Gulf Coast sales. Four of the related transactions involved firm customers. In addition, Brueggemann knew or should have known that he had to disclose Revolution because he had disclosed similar outside businesses to his firm in the past. On the other hand, the record contains no mitigating factors. Accordingly, the Hearing Officer concluded that Brueggemann should be suspended in all capacities for one year and fined \$25,000.00 for his violation of Conduct Rules 3030 and 2110.²³

²² *Id.* at 14.

²³ *Cf.*, *Kent M Houston*, No. 2006005318801, 2008 FINRA Discip. LEXIS 60 (O.H.O. Dec. 17, 2008) (imposing a one-year suspension and a \$50,000 fine against respondent who engaged in outside business activity involving acting as a trustee after receiving notice from the firm not to engage in such activities).

C. Failure to Respond to Requests for Information

The Guidelines recommend a bar where a respondent fails to respond in any manner to a request for information issued pursuant to Procedural Rule 8210.²⁴ Where mitigation exists, the Guidelines recommend consideration of a suspension in all capacities of up to two years.

The Hearing Officer finds that a bar is the appropriate sanction under the facts and circumstances of this case. "A complete failure to respond to a request for information ... renders the violator presumptively unfit for employment in the securities industry because the self-regulatory system of securities regulation cannot function without compliance with Rule 8210 requests."²⁵ Here the record reflects no mitigating factors that would warrant a lesser sanction. Accordingly, the Hearing Officer will bar Brueggemann from associating with any FINRA member in any capacity for violating Procedural Rule 8210 and Conduct Rule 2110.

IV. Order

Jan Lynn Brueggemann is barred from associating with any member firm in any capacity for participating in private securities transactions without giving prior written notice to, and receiving prior written approval from, his firm, in violation of NASD Conduct Rules 3040 and 2110; and for failing to respond in any manner to FINRA's request for information, in violation of Procedural Rule 8210 and Conduct Rule 2110. The bars shall become effective immediately if this Default Decision becomes the final disciplinary action of FINRA.

In addition, Brueggemann is suspended for one year from associating with any member firm in any capacity and fined \$25,000 for engaging in outside business activities, in violation of Conduct Rules 3030 and 2110. If this Default Decision becomes the final disciplinary action of FINRA, Brueggemann's suspension shall begin on July 6, 2009, and end at the close of business

²⁴ Sanction Guidelines at 35.

²⁵ *Geoffrey Ortiz*, Exchange Act Rel. No. 58416, 2008 SEC LEXIS 2401, at *31 (Aug. 22, 2008).

on July 5, 2010, and the fine shall be due and payable if and when he re-enters the securities industry.

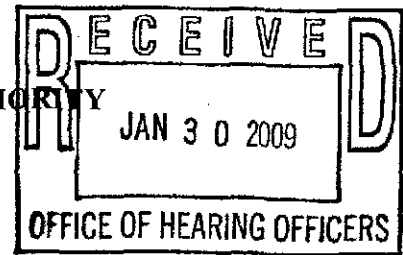
A handwritten signature in black ink, appearing to read 'Andrew H. Perkins', written over a horizontal line.

Andrew H. Perkins
Hearing Officer

Copies to:

Jan Lynn Brueggemann (FedEx, next day delivery, and first-class mail)
Cynthia A. Kittle, Esq. (electronic and first-class mail)
Mark P. Dauer, Esq. (electronic mail)
David R. Sonnenberg, Esq. (electronic mail)

FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS



Department of Enforcement,

Complainant,

v.

JAN LYNN BRUEGGEMANN
(CRD No. 2714692)

Respondent.

DISCIPLINARY PROCEEDING
NO. 2007008976201

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. During 2006 and 2007, without notice to or receiving approval from his FINRA firm, Respondent Jan Lynn Brueggemann sold interests in an oil and gas equipment company in connection with 21 transactions by 29 investors, in violation of NASD Rules 3030, 3040 and 2110. In addition and without providing prior notice to his FINRA member firm, Brueggemann formed and operated a California corporation to sell automotive parts, in violation of NASD Rules 3030 and 2110.

2. In 2007, Brueggemann wholly failed to respond to requests for information issued by FINRA staff, in violation of NASD Rules 8210 and 2110.

RESPONDENT AND JURISDICTION

3. In 1996, Brueggemann became registered as an Investment Company/Variable Products Representative. In 2002, he became registered as a General Securities Representative.

From December 2, 2005 through April 13, 2007, Brueggemann was associated with Empire Securities Corporation (Empire), a FINRA member, as a General Securities Representative.

4. Brueggemann currently is not associated with a FINRA member firm. Pursuant to Article V, Section 4 of FINRA's By-Laws, he remains subject to FINRA's jurisdiction.

FIRST CAUSE OF ACTION
(Private Securities Transactions)
(Violation of NASD Conduct Rules 3040 and 2110)

5. The Department of Enforcement realleges and incorporates by reference paragraph numbers 1 through 4, above.

6. On or about October 13, 2006, Gulf Coast Rig & Equipment, LLC (Gulf Coast), a Delaware limited liability company, commenced an unregistered offering of 20,000 preferred units at an offering price of \$180 per preferred unit, or \$3,600,000 in an aggregate amount. Each unit represented a preferred membership interest in Gulf Coast, and entitled the unit holder to *certain financial interests, including potential distributions of cash flow, an allocation of losses, and a pro rata participation in a five percent allocation of profits, if any.*

7. The Gulf Coast limited liability company agreement provides that the company is managed by a Board of Managers; at the time of the offering, the Board comprised one manager. The Agreement further provides that no member, other than managers, has any authority to act for or on behalf of the company.

8. The preferred units of Gulf Coast constitute a security in the form of an investment contract within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934.

9. Between about November 21, 2006 and February 7, 2007, Brueggemann participated in the sales of preferred units of Gulf Coast, in the approximate aggregate value of

\$1,585,000, in connection with 21 transactions by 29 investors, as set forth in Schedule A, attached hereto and incorporated herein by this reference. In connection with the foregoing sales, Brueggemann received compensation from Gulf Coast in the form of preferred units. Four of these transactions involved customers of Empire (Investors CB, GP & RP, KE, and MHA).

10. Empire did not participate in the Gulf Coast offering. The Gulf Coast transactions in which Brueggemann participated occurred outside the regular course and scope of his association with Empire.

11. Brueggemann did not provide Empire with prior written notification describing the proposed transaction, his proposed role therein, and stating whether he had received or might receive selling compensation in connection with the transaction. Nor did Brueggemann receive written permission from Empire to participate in the Gulf Coast offering.

12. The foregoing acts, practices and conduct constitute separate and distinct violations of NASD Conduct Rules 3040 and 2110 by Respondent Brueggemann.

SECOND CAUSE OF ACTION
(Outside Business Activities)
(Violation of NASD Conduct Rules 3030 and 2110)

13. The Department of Enforcement realleges and incorporates by reference paragraph numbers 1 through 12, above.

14. On or about December 21, 2006, Brueggemann formed and registered a California corporation under the name Revolution Mini Works Inc. (Revolution).

15. Revolution engages in the business of retail sales of automotive parts and supplies, through an Internet website located at www.revolutionmini.com. Brueggemann's participation in the business of Revolution constituted engaging in business activity outside the scope of his relationship with Empire for purposes of NASD Conduct Rule 3030.

16. On or about March 1, 2007, Revolution, acting through Brueggemann, purchased 555.56 Preferred Units of Gulf Coast through the offering.

17. Brueggemann failed to provide prompt written notice to his member firm in connection with his formation and operation of Revolution.

18. The foregoing acts, practices and conduct constitute separate and distinct violations of NASD Conduct Rules 3030 and 2110 by Respondent Brueggemann.

THIRD CAUSE OF ACTION
(Failure to Provide Requested Information)
(Violation of NASD Procedural Rule 8210 and Conduct Rule 2110)

19. The Department of Enforcement realleges and incorporates by reference paragraph numbers 1 through 18, above.

August 6, 2007 Request Letter

20. On August 6, 2007, pursuant to NASD Rule 8210, FINRA staff sent a written request to Brueggemann for information related to its investigation into the conduct set forth in Complaint paragraphs 5 through 19, above. This request was sent by both certified and first-class mail to [REDACTED] which is Brueggemann's CRD residential address of record (CRD Address). The requested information was to be provided to FINRA by August 20, 2007.

21. The certified letter was not returned to FINRA. On or about August 8, 2007, FINRA received the certified mail receipt, which was signed by "Jan Brueggemann" and dated August 7, 2007. The first class letter was not returned to FINRA. To date, FINRA has not received a response to the Rule 8210 request dated August 6, 2007.

August 23, 2007 Request Letter

22. On August 23, 2007, pursuant to NASD Rule 8210, FINRA staff sent Brueggemann a second written request by both certified and first-class mail to Brueggemann's CRD Address, seeking the same information as the staff's letter dated August 6, 2007. The requested information was to be provided to FINRA by September 6, 2007.

23. On or about September 11, 2007, FINRA received the certified letter returned as unclaimed. The first class letter was not returned to FINRA.

24. On August 23, 2007, by both certified and first-class mail, FINRA staff sent Brueggemann duplicate copies of the letter described in Paragraph 22 to 18021 Sky Park Circle Suite K-2, Irvine, California 92614, which is the office address of record for Revolution, as reflected in the records of the California Secretary of State. The certified letter was not returned to FINRA. On or about August 28, 2007, FINRA received the delivery receipt, which reflected an illegible signature. The first class letter was not returned to FINRA.

25. On August 23, 2007, by both certified and first-class mail, FINRA staff sent Brueggemann duplicate copies of the letter described in Paragraph 22 to [REDACTED] [REDACTED] which is Brueggemann's address of record as reflected in the records of the California Department of Insurance. On or about September 10, 2007, FINRA received the certified letter returned as unclaimed by the Postal Service. The returned letter reflected that it was forwarded to Brueggeman's CRD Address. The first class letter was not returned to FINRA.

26. To date, FINRA has not received a response to the Rule 8210 request dated August 23, 2007.

September 11, 2007 Request Letter

27. On September 11, 2007, pursuant to NASD Rule 8210, FINRA staff sent Brueggemann a third written request by first-class mail to Brueggemann's CRD Address, seeking the same information as the staff's letter dated August 6, 2007. FINRA staff also sent duplicate copies by first-class mail to Brueggemann at the addresses alleged in Paragraphs 24 and 25. The requested information was to be provided to FINRA by September 25, 2007. The letters were not returned to FINRA. To date, FINRA has not received a response to the letter dated September 11, 2007.

28. Each failure to provide information in response to FINRA requests pursuant to Rule 8210, as described above, constituted a separate and distinct violation of NASD Procedural Rule 8210 and NASD Conduct Rule 2110 by Respondent Brueggemann.

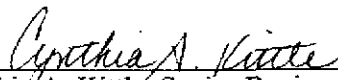
RELIEF REQUESTED

WHEREFORE, the Department respectfully requests that the Panel:

- A. order that one or more of the sanctions provided under FINRA Rule 8310(a), including monetary sanctions, be imposed; and
- B. order that the Respondent bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330.

FINRA DEPARTMENT OF ENFORCEMENT

Date: January 29, 2009


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Department of Enforcement v. Jan Lynn Brueggemann
Disciplinary Proceeding No. 2007008976201

Schedule A

	Customer Initials	Date Sold	Amount	Date Sold	Amount
1	DW			1/30/07	\$50,000
2	PP & SP			2/6/07	\$50,000
3	PN & BN			1/31/07	\$50,000
4	DG	11/24/06	\$50,000		
5	CD			1/31/07	\$50,000
6	IA & JA			1/25/07	\$25,000
7	JV	11/22/06	\$50,000	1/13/07	\$100,000
8	BS & JS			1/31/07	\$50,000
9	JH & JH2			1/9/07	\$50,000
10	LH & MH			1/9/07	\$50,000
11	MHA	11/21/06	\$50,000	1/4/07	\$100,000
12	EH			2/2/07	\$25,000
13	EH2	11/22/06	\$50,000	1/4/07	\$100,000
14	WW	11/23/06	\$50,000		
15	GP & RP	11/20/06	\$100,000	2/1/07	\$100,000
16	WA			1/31/07	\$50,000
17	KE	11/23/06	\$50,000	1/5/07	\$100,000
18	IN			1/20/07	\$35,000
19	RP			2/7/07	\$50,000
20	AA & EA			1/8/07	\$100,000
21	CB	11/21/06	\$50,000		
			\$450,000		\$1,135,000