

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 2008013450201**

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

**RE:** Nathan Joel Brenowitz, Respondent  
Registered Representative and Principal  
CRD No. 1587548

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**

Nathan Joel Brenowitz ("Brenowitz") entered the securities industry in October 1986 and was first registered with FINRA in November 1986. During the period August 2007 to April 29, 2008, Brenowitz was registered as an Investment Company and Variable Contracts Products representative (Series 6) and an Investment Company and Variable Contracts Products principal (Series 26) with FINRA regulated firm Northwestern Mutual Investment Services, LLC ("NMIS" or the "Firm"), where he was a Managing Director in the Firm's Woodstock, NY Branch Office. He was also an insurance agent for a mutual insurance company affiliate of NMIS. Brenowitz was permitted to resign by the Firm on April 29, 2008 and has not been registered in the securities industry since. On August 25, 2009, NMIS amended its notice of termination of registration. FINRA retains jurisdiction over Brenowitz pursuant to Article V, Section 4(a) of the FINRA By-Laws because the conduct that serves as the basis for this action commenced prior to his termination of registration from a FINRA regulated firm and this AWC has been filed within two years after the date of the amended notice of termination.

## **OVERVIEW**

Between July 2007 and April 2008, Brenowitz: (i) falsified a client's insurance policy application and related documents and subsequently denied to his Firm that he had falsified signatures or submitted falsely signed documents; (ii) falsely endorsed and cashed a check made payable to an insurance agent contracted to him and falsely claimed to his Firm that the insurance agent authorized him to do so; (iii) took an insurance examination posing as someone else and falsely denied to his Firm that he did so; and, (iv) falsified signatures of two other clients on supplements to their applications for whole life insurance. Such conduct by Brenowitz violated NASD Rule 2110 (requiring adherence to high standards of commercial honor and just and equitable principles of trade in conducting business).

Further, in May 2008, Brenowitz falsely denied in writing to FINRA that he took the insurance examination posing as someone else. In April 2010, Brenowitz falsely denied in testimony to FINRA that he took the insurance examination posing as someone else and claimed the insurance agent had authorized him to endorse and deposit the check and use the proceeds for expense reimbursement. Brenowitz's written response violated NASD Rules 8210 (which requires information and testimony provided to FINRA to be truthful) and 2110 and his false testimony violated FINRA Rules 8210 and 2010.<sup>1</sup>

## **FACTS AND VIOLATIVE CONDUCT**

By engaging in the following conduct, Brenowitz violated NASD Conduct Rule 2110:

### **False Insurance Policy Application and Denial to His Firm**

In July 2007, Brenowitz filled out a life insurance application for client SS and signed her name without her knowledge. He also filled out several related forms, such as an "Application for Release of Health-Related Information," a "Supplement to Application for Whole Life with Adjustable Term Protection" form, and a "Policy Delivery Acknowledgement," signing each with SS's signature without her knowledge. He then submitted the documents to the Firm's insurance company affiliate and a life insurance policy was issued which remained in effect until mid-year 2009, when the Firm discovered SS's signatures were not authentic.

Although Brenowitz claimed he lost the original documents completed by the client and created new documents to match the original documents, such conduct violated the affiliated insurance company's policy. Among other things, that policy mandated that "Even if done at the direction of or with the authorization or approval of the client or other person, signing another person's name or initials is not permitted under any circumstances or for any reason." Further, in April

---

<sup>1</sup> NASD consolidated with the member regulation and enforcement functions of NYSE Regulation in July 2007 and began operating under the new corporate name, FINRA. Following consolidation, FINRA began developing a new FINRA Consolidated Rulebook. The first phase of the new consolidated rules became effective on December 15, 2008. See Regulatory Notice 08-57 (Oct. 2008). In that process, NASD Rule 8210 became FINRA Rule 8210 and NASD Rule 2110 was renumbered as FINRA Rule 2010. Conduct before December 15, 2008 is governed by NASD rules, conduct on or after December 15 2008, by FINRA rules.

2008, when questioned by NMIS whether he had ever signed any applicant's name or submitted documents with any non-authentic signatures, he falsely responded "No."

#### **False Endorsement of a Check and Claim to His Firm that the Payee Authorized Endorsement**

In October 2007, Brenowitz endorsed a \$1,000 check made payable to JK, an insurance agent contracted to Brenowitz, by printing JK's name on the back of the check and signing Brenowitz's name. Brenowitz deposited the check in his personal bank account. JK did not know about the check and did not authorize Brenowitz to endorse the check or deposit the check into Brenowitz's personal account. When questioned about the check by NMIS in April 2008, Brenowitz claimed that, before he endorsed and deposited the check, JK had authorized him to use the check to repay expenses.

#### **Taking an Insurance Examination for Another Person and Denial to His Firm**

In late November 2007, Brenowitz, on behalf of his office manager, took an on-line computer examination, the "Essentials of Long Term Care" examination required by the insurance company affiliate of NMIS. He failed the examination, and then re-took (and passed) the examination in early December 2007, again posing as his office manager. When questioned about the examination by NMIS in February and March 2008, Brenowitz denied that he took the examination posing as his office manager.

#### **False Signatures of Two Clients on Insurance Application Supplements**

In late February 2008, Brenowitz submitted life insurance applications for two clients, MO and MO's wife, CP. In connection with those applications, Brenowitz signed MO's name to a "Supplement to Application for Whole Life," and CP's name to a "Supplement to Application for Whole Life," without their knowledge and submitted the supplements to the insurance company. Although MO and CP later stated they approved of his actions, the affiliated insurance company's policy prohibited its insurance agents from signing another person's name, even if authorized by the clients.

\*\*\*\*\*

By engaging in the following conduct, Brenowitz violated NASD Rules 8210 and 2110:

#### **Written Denial to FINRA Regarding Taking an Exam for Another Person**

In his response to FINRA's May 2008 request for information made pursuant to NASD Rule 8210, Brenowitz denied he took any test posing as his office manager.

\*\*\*\*\*

By engaging in the following conduct, Brenowitz violated FINRA Rules 8210 and 2010:

**Testimony to FINRA Falsely Denying Taking an Exam for Another Person and Claiming that the Payee Authorized the Check Endorsement**

During sworn testimony provided in April 2010 to FINRA pursuant to FINRA Rule 8210, Brenowitz denied he took any test posing as his office manager and claimed that JK, the insurance agent contracted to him, had authorized Brenowitz to endorse and deposit the check and use the proceeds for expense reimbursement.

\* \* \*

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

A bar from associating with any FINRA member firm in any capacity.

Pursuant to FINRA Rule 8313(e), a bar shall become effective upon approval or acceptance of this AWC.

I understand that if I am barred from associating with any FINRA member, I become subject to a statutory disqualification as that term is defined in 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 (*see* FINRA Rules 8310 and 8311).

The sanctions imposed herein shall be effective on a date set by FINRA staff.

**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 General Counsel, 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**

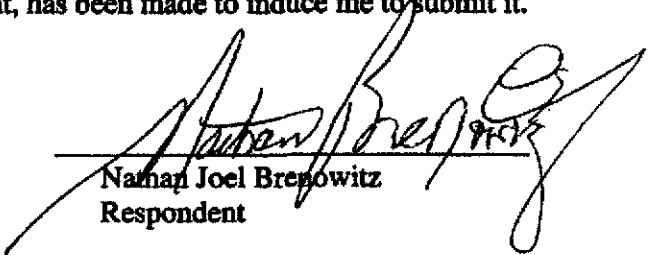
I understand that:

- 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 response to public inquiries about my disciplinary record;
  - 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 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.

6/14/10  
Date (mm/dd/yyyy)

  
Nathan Joel Brenowitz  
Respondent

Accepted by FINRA:

July 12, 2010  
Date

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



Samuel L. Israel

Associate Vice President & Chief Counsel

FINRA Department of Enforcement

1801 K Street, N.W.

Suite 800

Washington, D.C. 20006

Phone: 202.974.2868

Facsimile: 202.721.8316