

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

Department of Enforcement,

Complainant,

v.

Christian Joel Brand,
CRD No. 2434521,

Respondent.

Disciplinary Proceeding
No. 2009020906701

Hearing Officer: LOM

Date: June 3, 2013

ORDER ACCEPTING OFFER OF SETTLEMENT

INTRODUCTION

Disciplinary Proceeding No. 2009020906701 was filed on August 8, 2012, by the Department of Enforcement of the Financial Industry Regulatory Authority (FINRA) (Complainant). Respondent Christian Joel Brand submitted an Offer of Settlement (Offer) to Complainant dated April 12, 2013. Pursuant to FINRA Rule 9270(e), the Complainant and the National Adjudicatory Council (NAC), a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA) have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to FINRA Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondent 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 FINRA, or to which FINRA 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 Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA.

BACKGROUND

Brand entered the securities industry in November 1993 when he became associated with a FINRA member. From January 3, 2005 through October 28, 2010, Brand was associated with Wallstreet E. Brand holds Series 7, 63, and 65 licenses. On October 27, 2010, Merrimac Corporate Securities, Inc. ("Merrimac") filed a Form U4 for Brand, commencing his association with the firm as of that date. Brand is currently associated with Merrimac. By virtue of his current registration with FINRA and his current association with Merrimac, FINRA possesses jurisdiction over Brand under Article V of its By-Laws.

FINDINGS AND CONCLUSIONS

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

1. In early 2005, Brand approached Wallstreet E customer VP, who is Brand's grandmother, about an investment opportunity in a pre-development condominium project in Cozumel, Mexico (hereinafter the "Cozumel project").
2. Brand sought investment funds from VP for pre-development costs, including architects, engineers, legal and accounting fees, ecological studies and other pre-construction expenses for the Cozumel project.

3. At the time Brand approached VP about investing in the Cozumel project, VP was 91 years old and had suffered from dementia for approximately two years.
4. VP agreed to invest in the Cozumel project and thereafter directed funds transfers from her Wallstreet E brokerage account to her checking account.
5. Between 2005 and 2007, VP issued tens checks totaling \$510,000 for the investment. Eight of the checks were made payable to Whitney Distinctive Properties, LLC (hereinafter "Whitney Distinctive"). The other two checks were made payable to Destination Development, LLC (hereinafter "Destination"). Brand was the majority owner and principal of both Whitney Distinctive and Destination.¹
6. Brand assisted VP to prepare some of the checks by filling in some portions with his own handwriting. Upon receipt of the checks from VP, Brand deposited the checks into Whitney Distinctive and Destinations' checking accounts.
7. Aside from VP, Brand's childhood friend and other family members of Brand's invested in the Cozumel project.
8. In September 2006, Brand prepared and provided VP with a one-page document entitled "The Offering." The document memorializes VP's investment in the Cozumel project and states that Destination was offering investment units for a 32-unit development with each investment unit entitling the investor to an 8% preferred annualized rate of return with an additional participation of 40% of the initial

¹ Brand was also the President and Chief Executive Officer of Apollo Premiere Properties, S.A. CV (hereinafter "Apollo"). Apollo, which is a Mexican company, had been formed by Brand to own and hold the land upon which the Cozumel project would be built.

investment amount. The document was signed by both Brand and VP on September 11, 2006.

9. VP was also provided with a more comprehensive, multi-page offering document.

The more comprehensive document, also entitled "The Offering," sets forth that Apollo was "offering investment units" for the Cozumel project. The document contained the same information about interest rate and annualized rate of return, but also contained various pages of artist renderings and charts setting forth construction costs and executive summaries for the Cozumel project. Brand's biography was also included, characterizing him as the CEO of Apollo and a "licensed investment advisor."

10. In 2007, Brand prepared another document entitled "Statement of Contribution" to memorialize VP's investment in the Cozumel project.

11. The Statement of Contribution states that "these funds are receiving an accumulated interest rate of 8% annually in accordance with the original offering put forth . . . The principal and interest is to be repaid at the time project construction funding has been issued by the creditor." The document also contains a listing of VP's funds that had been contributed to Whitney Distinctive² between March 2005 and July 2007 - eight checks totaling \$375,000.³

² VP had provided two additional checks that were payable to Destination, totaling \$135,000.

³ Hereinafter, the three documents that are described in paragraphs 11 through 14 will be referred to collectively as the "Offering Documents."

12. Ultimately, the initial construction loan for the Cozumel project was not funded and the project failed. VP has not received any of her investment funds back, nor has she earned any interest from her investment in the Cozumel project.

13. VP's investments in the Cozumel project, as evidenced by the Offering Documents, are securities.

14. Brand participated in VP's transactions by approaching VP about the investment opportunity, seeking her funds for the Cozumel project, providing VP with the Offering Documents, assisting VP to prepare some of the checks with his own hand writing and by depositing the checks into the accounts of Whitney Distinctive and Destination.

15. Prior to participating in VP's investments, Brand did not notify Wallstreet E about the proposed transactions and Brand's role in the transactions. Moreover, Brand's participation in the transactions was not within the course or scope of his employment with Wallstreet E.

Based on the foregoing, Respondent violated NASD Rules 3040 and 2110.

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

SANCTIONS

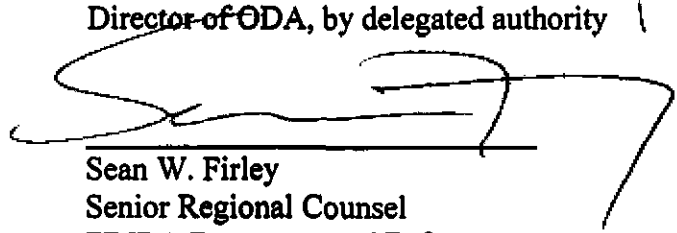
It is ordered that Respondent be suspended in all capacities from association with any FINRA member for a period of four months. Respondent has submitted a sworn financial statement and demonstrated an inability to pay. In light of the financial status of Respondent, no monetary sanctions have been imposed.

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

SO ORDERED.

FINRA

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

A handwritten signature in black ink, appearing to read 'Sean W. Firley', is written over a horizontal line. The signature is stylized with a large, sweeping 'S' and a long, horizontal stroke extending to the right.

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