

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
LETTER OF ACCEPTANCE, WAIVER AND CONSENT  
NO. 2010024558401**

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

RE: Berwyn Financial Services Corp., Respondent  
Member  
CRD No. 35586

Kevin M. Ryan, Respondent  
General Securities Principal  
CRD No. 2305227

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondents 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 us alleging violations based on the same factual findings described herein.

**I.**

**ACCEPTANCE AND CONSENT**

- A. Respondents 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**

Berwyn Financial Services Corp. ("Berwyn") has been a FINRA member since 1994. It maintains a single office located in Berwyn, Pennsylvania. The firm employs two registered persons and conducts a general securities business on a fully disclosed basis.

In January 1993, Kevin M. Ryan ("Ryan") first became registered with FINRA as a General Securities Representative. Since July 1994, he has been registered with FINRA through Berwyn as a General Securities Principal. Ryan is currently registered with FINRA in several other capacities as well. He has been Berwyn's President and Chief Compliance Officer since 2004.

### **RELEVANT DISCIPLINARY HISTORY**

In January 2005, FINRA issued an AWC against Berwyn and Ryan in which they agreed, without admitting or denying the findings, to a censure, a \$7,500 fine and disgorgement of \$424 in commissions for effecting four municipal securities transactions without having a registered municipal securities principal.

In July 2002, FINRA issued an AWC against Berwyn and Ryan in which they agreed, without admitting or denying the findings, to a \$5,000 joint-and-several fine based on Ryan's performing activities requiring registration when he had failed to complete the Regulatory Element of FINRA's continuing education rule.

### **FACTS AND VIOLATIVE CONDUCT**

From June 2008 to August 2, 2010, Berwyn employed BV as an administrative assistant. She was never registered with FINRA while employed by Berwyn, but, in April 2009, the firm filed a Form NRF -- Initial for her.

From about August 2008 to about July 30, 2010, Berwyn, acting through Ryan, permitted BV to accept unsolicited customer orders and perform other activities requiring registration with FINRA as an Assistant Representative -- Order Processing. By permitting an unregistered person to engage in activities requiring registration, Berwyn and Ryan violated NASD Membership and Registration Rule 1041, NASD Conduct Rule 2110 (for conduct before December 15, 2008) and FINRA Rule 2010 (for conduct after December 14, 2008).

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

- a censure; and
- a joint-and-several fine of \$15,000.

Respondents agree to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. Respondents have submitted an Election of Payment form showing the method by which they propose to pay the fine imposed.

Respondents specifically and voluntarily waive any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

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

## **II.**

### **WAIVER OF PROCEDURAL RIGHTS**

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

- A. To have a Complaint issued specifying the allegations against us;
- 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, Respondents 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.

Respondents 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**

Respondents 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 Respondents;

C. If accepted:

1. this AWC will become part of the Respondents' permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against them;
2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Respondents' 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. Respondents 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. Respondents 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 Respondents' right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party; and

- D. Respondents may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondents understand that they may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

The undersigned, on behalf of the firm, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that the firm has 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 the firm to submit it.

Ryan certifies that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that he has 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 him to submit it.

Berwyn Financial Services Corp.

02/03/2012  
Date (mm/dd/yyyy)

By: Kevin M. Ryan  
Kevin M. Ryan, President

02/03/2012  
Date (mm/dd/yyyy)

Kevin M. Ryan  
Kevin M. Ryan

Accepted by FINRA:

February 9, 2012  
Date

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

Thomas M. Huber  
Thomas M. Huber  
Sr. Regional Counsel  
FINRA Department of Enforcement  
1835 Market Street, Suite 1900  
Philadelphia, PA 19103  
(215) 963-1990  
Fax: (215) 496-0434