

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2019062544201**

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

RE: Brian Shevland (Respondent)
General Securities Representative and General Securities Principal
CRD No. 4570496

Pursuant to FINRA Rule 9216, Respondent Brian Shevland submits 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 Respondent alleging violations based on the same factual findings described in this AWC.

I.

ACCEPTANCE AND CONSENT

A. Respondent accepts and consents to the following findings by FINRA without admitting or denying them:

BACKGROUND

Shevland first registered with FINRA in 2002. Since 2014, Shevland has been registered with FINRA as a General Securities Representative and General Securities Principal through an association with MCG Securities LLC (CRD No. 163144). Since 2014, Shevland also has been MCG's CEO.¹

OVERVIEW

From September 2016 through July 2019, Shevland made negligent misrepresentations about the performance of two investment funds to investors in violation of FINRA Rule 2010.

FACTS AND VIOLATIVE CONDUCT

This matter originated from a FINRA cycle examination of MCG Securities.

FINRA Rule 2010 requires associated persons in the conduct of their business to "observe high standards of commercial honor and just and equitable principles of trade." Making a negligent misrepresentation of material fact or omitting material information in connection with business-related activities is a violation of FINRA Rule 2010.

¹ For more information about the respondent, visit BrokerCheck® at www.finra.org/brokercheck.

In 2014, Shevland began acting as the fund manager for two private equity funds (the Funds). Between September 2016 and May 2018, Shevland caused the Funds to invest more than \$20 million (including some of Shevland's own money) in a separate private equity fund (the Master Fund), which was managed by a former employer of Shevland.

From September 2016 through July 2019, the Funds created documents that contained materially inaccurate performance results, which Shevland distributed and directed others at the Funds to distribute to investors on a regular basis. To prepare these documents, the Funds relied on information that Shevland received from the Master Fund, including unaudited financials claiming that the Master Fund earned consistent positive monthly returns and realized an annual rate of return, net of fees, exceeding 80 percent in 2016.

Shevland failed to act with due care upon learning of material discrepancies in the financial results reported by the Master Fund. In addition, certain of the Master Fund's monthly reports did not accurately reflect the Funds' investment. Shevland did not ask anyone at the Master Fund about these discrepancies or take any other steps to investigate them. Instead, Shevland negligently continued to direct others at the Funds to use the Master Fund's claimed financial results to create documents that he and others distributed to Fund investors. Those documents materially overstated the performance of the Funds.

In August 2019, the manager of the Master Fund was arrested and charged with securities fraud in connection with her operation of the Master Fund. The Master Fund is subject to a receivership and losses to investors in the Funds have yet to be ascertained.

By making negligent misrepresentations of material fact to investors, Shevland violated FINRA Rule 2010.

B. Respondent also consents to the imposition of the following sanctions:

- a one-year suspension from associating with any FINRA member in all capacities and
- a \$10,000 fine.

Respondent agrees to pay the monetary sanction upon notice that this AWC has been accepted and that such payment is due and payable. Respondent has submitted an Election of Payment form showing the method by which he proposes to pay the fine imposed.

Respondent specifically and voluntarily waives any right to claim an inability to pay, now or at any time after the execution of this AWC, the monetary sanction imposed in this matter.

Respondent understands that if he is barred or suspended from associating with any FINRA member, he becomes subject to a statutory disqualification as that term is defined in Article III, Section 4 of FINRA's By-Laws, incorporating Section 3(a)(39) of the Securities Exchange Act of 1934. Accordingly, he may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension. *See* FINRA Rules 8310 and 8311.

The sanctions imposed in this AWC shall be effective on a date set by FINRA.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a complaint issued specifying the allegations against him;
- 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, Respondent specifically and voluntarily waives any right to claim bias or prejudgment of the Chief Legal Officer, 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 its acceptance or rejection.

Respondent further specifically and voluntarily waives 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

Respondent understands 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 Respondent; and
- C. If accepted:
 - 1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future action brought by FINRA or any other regulator against Respondent;
 - 2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;
 - 3. FINRA may make a public announcement concerning this agreement and its subject matter in accordance with FINRA Rule 8313; and
 - 4. Respondent 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. Respondent 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 Respondent's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party. Nothing in this provision affects Respondent's testimonial obligations in any litigation or other legal proceedings.
- D. Respondent may attach a corrective action statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that he 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.

Respondent 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; Respondent has agreed to the AWC's provisions voluntarily; and no offer, threat, inducement, or promise of any kind, other than the

terms set forth in this AWC and the prospect of avoiding the issuance of a complaint, has been made to induce him to submit this AWC.

January 18, 2024

Brian Shevland

Date

Brian Shevland
Respondent

Reviewed by:

Nina Hirsch, Esq.

Nina Hirsch, Esq.
Counsel for Respondent
Nystrom Beckman & Paris LLP
One Marina Park Drive, 15th Floor
Boston, MA 02210

Accepted by FINRA:

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

February 1, 2024

Karen Daly

Date

Karen C. Daly
Principal Counsel
FINRA
Department of Enforcement
1601 Market Street, 27th Floor
Philadelphia, PA 19103