

BEFORE THE HEARING BOARD
OF THE
ILLINOIS ATTORNEY REGISTRATION
AND
DISCIPLINARY COMMISSION

FILED
7/19/2024 2:33 PM
ARDC Clerk

In the Matter of:

BRENDAN MICHAEL PIERARD,

Attorney-Respondent,

No. 6324497

Commission No. 2024PR00039

NOTICE OF ELECTRONIC FILING

TO: Tammy L. Evans
Attorney Registration and Disciplinary Commission
of the Supreme Court of Illinois
3161 W. White Oaks Drive, Suite 301
Springfield, IL 62704
Email: tevans@iadc.org
Email: ARDCeService@iadc.org

On July 19, 2024, I shall electronically file with the Clerk of the Illinois Attorney Registration and Disciplinary Commission the foregoing Notice of Filing and the Attached Answer to Complaint.

Respectfully submitted,

/s/ Brendan M. Pierard

Brendan M. Pierard, Attorney-Respondent

PROOF OF SERVICE

I, Brendan M. Pierard, on oath, certify that I served a copy of the foregoing Notice of Filing and Answer to Complaint by emailing a copy to tevans@iadc.org and ARDCeService@iadc.org on July 19, 2024.

/s/ Brendan M. Pierard

Brendan M. Pierard, Attorney-Respondent

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investment in cryptocurrency products from approximately 21 investor-victims in amounts totaling approximately \$139,500.

ANSWER: Respondent admits the allegations in paragraph 3, but would like to specify that Respondent did not solicit, nor in anyway ask for said funds. Investors, on their own accord, approached Respondent about adding funds to his current crypto activities, and Respondent accepted.

4. On November 8, 2023, the Acting United States Attorney for the Northern District of Illinois caused to be filed an information against Respondent in the United States District Court for the Northern District of Illinois, Eastern Division, in case number 2023-CR-592.

ANSWER: Respondent admits to the allegations in paragraph 4. Respondent agreed to pay restitution in exchange for a dismissal. As part of that agreement, an information was filed by agreement of both parties.

5. The information charged Respondent with the offense of wire fraud, in violation of Title 18, United States Code, Section 1343. Specifically, that Respondent knowingly caused to be transmitted by means of wire communication in interstate commerce, an internet transmission of an email to investor-victims that falsely described efforts he was making to return their funds, from Illinois through computer servers located outside of Illinois when, on or about September 23, 2022, he sent an email from Illinois to the investor-victims' email accounts in which he knowingly made false statements that he had engaged an independent accounting firm to: 1) audit the funds the investor-victims had provided to him for investment in cryptocurrency products; 2) prepare a report of the investor-victims' investments and distribute the report to them; and 3) assist Respondent in distributing funds to the investor-victims.

ANSWER: Respondent admits the allegations contained in paragraph 5.

6. At the time Respondent sent the email to the investor-victims described in paragraph five, above, he knew the statements in his email were false because he had not retained the services of an independent accounting firm to audit the investments or prepare a report, and he had no money to distribute to the investor-victims because he had lost all of their money.

ANSWER: Respondent admits the allegations contained in paragraph 6.

7. On January 4, 2024, the Acting United States Attorney for the Northern District of Illinois and Respondent entered into an agreement to defer prosecution (“agreement”) on the information for 18 months for the purpose of allowing Respondent to demonstrate his good conduct during this period. Pursuant to the terms of the agreement, Respondent admitted the following facts and agreed that the admissions he made could be used against him in any proceeding for any purpose:

- a. Between about September 2017 and September 29, 2022, Respondent knowingly devised, intended to devise, and participated in a scheme to defraud, and to obtain and retain money and property by means of materially false and fraudulent pretenses, representations, and promises; and on or about September 23, 2022, Respondent executed the scheme by knowingly causing to be transmitted by means of wire communication in interstate commerce, certain writings, signs, and signals, namely, an email in which he falsely and fraudulently described efforts he was making to repay funds to investors, in violation of Title 18, United States Code, Section 1343.
- b. During 2017, Respondent independently invested his own funds in cryptocurrency. In approximately September 2017, Respondent began accepting funds from third parties (investor-victims) who requested that he invest their funds on their behalf in various cryptocurrency products. The investor-victims were generally individuals who had known Respondent for many years, or friends, family, and acquaintances of such individuals. In total, between approximately 2017 and July 2019, Respondent accepted funds for investment in cryptocurrency products from approximately 21 investor-victims in amounts totaling approximately \$139,500.
- c. Respondent communicated to investor-victims, either directly or through third-parties who referred investor-victims to Respondent, that he would make all investment decisions for funds under his management, and that he would retain control of their funds until the investor-victims sought to withdraw their principal and gains. Respondent also communicated to investor-victims that their investment principal was not at risk. Respondent invested funds received from investor-victims in a variety of cryptocurrency products, such as Bitcoin and Ethereum, as well as in exchanges and applications, such as Coinbase, BitMEX, and Kraken, using his cellphone or a computer at his residence.
- d. Respondent pooled his investor-victims’ funds and did not segregate their funds from his own when engaging in trading on their behalf. Respondent did not maintain an accounting system that adequately tracked either receipt of funds from his investor-victims or the performance of his investments on behalf of the investor-victims individually. At the time Respondent engaged in this conduct, he was not licensed with any state or federal authority as an investment advisor or commodity pool operator.

- e. Respondent's cryptocurrency trading became increasingly unprofitable, and he did not communicate his losses to the investor-victims. Instead, Respondent continued to falsely and fraudulently represent to the investor-victims that his trading on their behalf was profitable, and to report false account balances. By approximately late 2020, Respondent lost all of the money that he had received from the investor-victims, principally as a result of unprofitable trading and losses attributable to his use of unregulated and uninsured cryptocurrency exchanges. When the investor-victims sought to withdraw their purported gains and investment principal from Respondent's control, he generally ignored their requests, or knowingly made false and fraudulent statements that purported to explain his inability to return their funds. For example, during 2022, Respondent falsely and fraudulently represented on repeated occasions that he had engaged an independent accounting firm to audit the investor-victims' investments with Respondent, prepare a report, and assist in distribution of funds to the investor-victims.
- f. On or about September 23, 2022, Respondent sent an email to the investor-victims in which he falsely and fraudulently described efforts he was making to prepare and repay funds to the investor-victims. Specifically, Respondent stated that a report being prepared by an independent accountant would soon be distributed to the investor-victims. As Respondent knew at the time he made these materially false and fraudulent statements, he had not retained the services of an independent accountant, no report was being prepared, and Respondent knew no funds would be returned to the investor-victims because he had lost all of their money. Respondent sent that communication from Illinois to the investor-victims using his email account. Respondent acknowledges that the email traveled by wire communication in interstate commerce through computer servers located outside the state of Illinois to the investor-victims' email accounts.

ANSWER: Respondent admits the allegations contained in paragraph 7, including those found in subparagraphs a through f.

8. Pursuant to the terms of the agreement, Respondent agreed, *inter alia*, to pay restitution totaling \$124,500 to the individuals and in the amounts identified on the restitution schedule attached to the agreement. If Respondent successfully completes the diversion program and fulfills all the terms and conditions of the agreement, the government will move the court to dismiss the information against him.

ANSWER: Respondent admits the allegations contained in paragraph 8.

- 9. By reason of the conduct described above, Respondent has engaged in the following misconduct:
 - a. committing a criminal act that reflects adversely on his honesty, trustworthiness or fitness as a lawyer in other respects, by committing the criminal offense of wire fraud,

in violation of Title 18, U.S.C., Section 1343, and in violation of Rule 8.4(b) of the Illinois Rules of Professional Conduct (2010); and

- b. engaging in conduct involving dishonesty, fraud, deceit or misrepresentation, by conduct including knowingly making materially false and fraudulent statements in an email that he sent to the investor-victims on or about September 23, 2022, and committing the criminal offense of wire fraud, in violation of Title 18, U.S.C., Section 1343, and in violation of Rule 8.4(c) of the Illinois Rules of Professional Conduct (2010).

ANSWER: Respondent admits the allegations contained in paragraph 9.

RULE 231 DISCLOSURE

Respondent has been admitted to practice law in Illinois since 2016 and is not admitted in any other State.

The law license of Respondent has never been subject to any professional discipline.

Respondent does not hold other professional licenses.

Respectfully submitted,
Brendan Pierard
Attorney-Respondent

By: /s/ Brendan Pierard
Brendan Pierard

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