

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

ADMINISTRATIVE PROCEEDING
File No. 3-20550

In the Matter of

Calmare Therapeutics Incorporated,

Respondent.

DECLARATION OF PETER BRENNAN IN SUPPORT OF RESPONDENT'S
OPPOSITION TO DIVISION OF ENFORCEMENT'S
MOTION FOR SUMMARY DISPOSITION

I, Peter Brennan, pursuant to 28 U.S.C. § 1746, declare as follows:

My name is Peter Brennan, and I have personal knowledge of the matters contained in this Declaration. I have a Bachelor of Arts degree from Haverford College and a Master of Business Administration from the University of Chicago. I am a retired financial services executive. I have served in all capacities of responsibility including president for NASO broker-dealers, a director of public company audit committees, many other aspects of the investment management business, and am the current Chairman of the Board of Calmare Therapeutics Incorporated ("Calmare" or the "Company"). I am a member and past Chairman of the Corporate Governance Committee of the New York Society of Security Analysts, and a founding member of the Capital Markets Policy Council of the CFA Institute for Market Integrity. I continue to provide consulting services in the investment management business.

I have analyzed and consulted with a number of companies regarding their Securities and Exchange Commission ("SEC") reports, including consideration of the advantages and disadvantages of the alternatives that may be available to a company. These companies range in

size from extremely small (including those categorized by the SEC as Smaller Reporting Companies) to those of moderate size, they have been involved in a variety of different industries, and many of them are required to file periodic reports with the SEC. As a result of this experience, I am familiar with how various SEC regulations, and a company's status with respect to those regulations, can affect a company and the perception of that company by its shareholders and the investment community.

In the instant situation about which I have been asked to comment, I understand that the Calmare is a small company (a Smaller Reporting Company under SEC guidelines) involved in the medical device field. I also understand the following:

- (i) The Company has one or more active contracts to supply products to the U.S. Federal Government ("Government");
- (ii) The Company is delinquent in filing a number of reports required pursuant to the Securities Exchange Act of 1934 (the 1934 Act);
- (iii) The SEC has issued an order halting trading of the stock of the Company indefinitely, and there is no trading in the stock of the Company;
- (iv) The Company is working on preparing the delinquent reports to be able to file those reports with the SEC, including having engaged a national CPA firm to prepare the audits and provide certain other information required for the reports;
- (v) The SEC is attempting to revoke the 1934 Act registration of the Company's stock rather than allowing the Company to prepare the delinquent reports during a specified time period while there continues to be a ban and prohibition on trading of the Company's stock;
- (vi) The Company is requesting that the SEC continue the ban on trading the Company's stock and allow the Company a reasonable period to complete and file the delinquent reports rather than causing the Company's 1934 Act registration to be revoked and force the Company to begin a new 1934 Act registration by filing a new Form 10 and being subjected to what the Company considers to be extremely damaging to the viability of the Company's contracts with the Government as well as the business of the Company and to the interests of the Company's public shareholders;
- (vii) The Company believes there is a substantial difference between (a) maintaining the halt and prohibition from trading in the stock of the Company, and allowing the company a specified period to bring its filing in compliance - without the SEC's revoking the Company's 1934 Act registration; and (b) the SEC's revoking the Company's 1934 Act registration and placing the Company in a position where it will be forced to commence a new 1934 Act registration of Form 10 and be considered an entity with a revoked registration by the Government, the shareholders of the Company, and the investment community; and thereby suffer the resulting damage to the Company's business; and

- (viii) The Company's contracts with the Government allow the Government to cancel those contracts if the Government determines that the Company is not a "Responsible Contractor" (as referred to in Government contracting regulations) and for other reasons as well. The Company believes that if the SEC revokes the 1934 Act registration of the Company's stock, there is a substantially higher probability that the Government would invoke the "Responsible Contractor" provision to terminate the contracts than there would be if there is not a revocation of registration, and the Company is permitted a specified period to bring its SEC filings up to date.

After consideration of the above, including my background experience and my personal knowledge of Calmare and its shareholder profile, I believe that the revocation by the SEC of the Company's stock registration, rather than allowing the Company a specified period to bring its SEC reports current, is likely to have a more damaging effect to the Company's contracts with the Government and therefore to its business and its public shareholders. In fact, based on advice from the Company's Government contracts consultants, revocation of the 1934 Act registration of the Company's stock is substantially more likely to result in the Government's cancellation of the contracts pursuant to the "Responsible Contractor" provision described above. It is my experience that beginning anew with a 1934 Act registration and preparing a new Form 10 in order to do so, is considered significantly more negative by a company's shareholders and the investment community. Even if the Form 10 can be accomplished in approximately the same amount of time (which, with the required pre-effective review period, is unlikely), the interim period during which the Company is not registered under the 1934 Act, is more likely to be extremely damaging to the Company's Government contracts business and therefore to the Company's shareholders. The Company's shareholders would not be expected to react to filing delays and delinquencies in its 1934 Act Reports - and the imposition of a Cure Period - in as negative a manner as it would if there were a revocation of registration.

I am receiving no compensation for submitting this Declaration.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on January 25, 2022.

☞ 
Peter Brennan

CERTIFICATE OF SERVICE

I hereby certify that I caused true copies of the Declaration of Peter Brennan in Support of Respondent's Opposition to Division of Enforcement's Motion for Summary Disposition, to be served on the following on January 25, 2022, in the manner indicated below:

Via eFap:

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