

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2016047564601**

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

RE: Benchmark Securities, LLC, Respondent
CRD No. 159940

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Benchmark Securities, LLC ("Benchmark" or "Respondent") 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 herein.

I.

ACCEPTANCE AND CONSENT

- A. We 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

Benchmark has been a FINRA member since August 27, 2012. The firm is also a member of the Municipal Securities Rulemaking Board ("MSRB"). The firm employs 15 registered representatives, is headquartered in Winter Park, Florida, has three branch locations and is approved to conduct business in corporate debt, corporate equities, mortgage/asset backed securities, municipal debt/bonds, private placements, proprietary trading and underwriting.

RELEVANT DISCIPLINARY HISTORY

Benchmark does not have any relevant prior disciplinary history.

OVERVIEW

During the time period from February 2013 through September 2014 (the "Relevant Time Period"), Benchmark violated MSRB Rules G-17, G-20 and G-27 by: (1) while acting as the lead underwriter for negotiated municipal deals, the firm gave multiple gifts to representatives of municipal issuers in excess of \$100

during rolling one-year time periods; and (2) failing to establish and maintain a supervisory system reasonably designed to monitor the aggregation of gifts/gratuities and entertainment received by individual recipients over time.

FACTS AND VIOLATIVE CONDUCT

MSRB Rule G-20(a) prohibits any broker, dealer, or municipal securities dealer from, directly or indirectly, giving or permitting to be given any thing or service of value, including gratuities, in excess of \$100 per year to a person other than an employee or partner of such broker, dealer, or municipal securities dealer, if such payments or services are in relation to the municipal securities activities of the recipient's employer. MSRB Rule G-20 provides an exception from the \$100 limit for "normal business dealings." Among other expenses, these include expenses associated with legitimate business functions sponsored by the dealer, if the expenses would be recognized by the Internal Revenue Service as deductible business expenses.

During the Relevant Time Period, Benchmark participated in municipal negotiated underwriting deals where the firm acted in the role of lead underwriter. The firm provided gifts, usually in the form of college football tickets, to approximately 16 municipal issuer representatives that were valued in excess of the \$100 limit. In the instances of football tickets, no one from Benchmark attended the event with the municipal issuer representatives.

By virtue of the foregoing, Respondent violated MSRB Rules G-17 and G-20.

MSRB Rule G-27 requires each municipal securities dealer to establish and maintain a system to supervise the municipal securities activities of registered representatives, registered principals, and other associated persons that is reasonably designed to achieve compliance with applicable securities laws, regulations and MSRB Rules.

During the Relevant Time Period, Benchmark failed to establish, maintain and enforce an adequate supervisory system and written supervisory procedures regarding gifts and gratuities. The firm's written supervisory procedures noted that the Chief Compliance Officer or his designee would "check" to ensure that single gifts or gifts in the aggregate did not violate the \$100/rolling calendar year provision of MSRB Rule G-20. The procedures did not, however, specify the manner in which supervision would be performed to ensure compliance with MSRB Rule G-20, specify the frequency of any supervisory review, or identify a process for documenting any supervisory review related to MSRB Rule G-20. Further, as set forth above, the firm did not implement the written procedures that it did have in place to ensure compliance with MSRB Rule G-20.

By virtue of the foregoing, Benchmark violated MSRB Rule G-27.

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

A censure and a \$25,000 fine.

We agree to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are due and payable. We have submitted an Election of Payment form showing the method by which we propose to pay the fine imposed.

We specifically and voluntarily waive any right to claim that we are unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

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

II.

WAIVER OF PROCEDURAL RIGHTS

We 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, we specifically and voluntarily waive 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 acceptance or rejection of this AWC.

We 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

We 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 us; and
- C. If accepted:
 - 1. this AWC will become part of our permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against us;
 - 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 the subject matter thereof in accordance with FINRA Rule 8313; and
 - 4. We 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. We 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 my: (i) testimonial obligations; or (ii) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.
- D. We may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. We understand that we 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 Benchmark Securities, LLC, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and

have been given a full opportunity to ask questions about it; that we have 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 Benchmark Securities, LLC to submit it.

Benchmark Securities, LLC

By: 

CEO
Title

5/22/2017

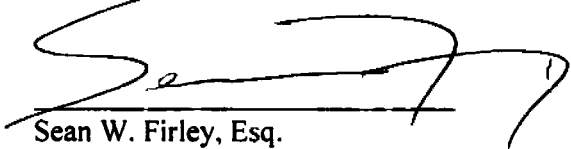
Date

Accepted by FINRA:

6/13/17

Date

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



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