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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING  
whether there has been a violation  
of the Securities Act of Washington by:

William S. Bennett, Jr.

Respondent.

Order Number S-10-032-10-FO01

ENTRY OF FINDINGS OF FACT AND  
CONCLUSIONS OF LAW AND FINAL  
ORDER TO DENY FUTURE SECURITIES  
SALESPERSON REGISTRATION

THE STATE OF WASHINGTON TO: William S. Bennett, Jr. (CRD #2290482)

On February 8, 2010, the Securities Administrator of the State of Washington issued a Statement of Charges and Notice of Intent to Deny Future Securities Salesperson Registration S-10-032-10-SC01, hereinafter referred to as "Statement of Charges," against Respondent William S. Bennett, Jr.

The Statement of Charges, together with a Notice of Opportunity to Defend and Opportunity for Hearing, hereinafter referred to as "Notice of Opportunity for Hearing," and an Application for Adjudicative Hearing, hereinafter referred to as "Application for Hearing," was served on William S. Bennett, Jr. on February 12, 2010.

The Notice of Opportunity for Hearing advised William S. Bennett, Jr. that he had twenty days from the date he received the notice to file a written application for an adjudicative hearing on the Statement of Charges. William S. Bennett, Jr. failed to request an adjudicative hearing within twenty days of his receipt of the Statement of Charges and Notice of Opportunity for Hearing, either on the Application for Hearing provided or otherwise.

1 The Securities Administrator therefore adopts as final the Tentative Findings of Fact and  
2 Conclusions of Law as set forth in the Statement of Charges and enters a final order against William  
3 S. Bennett, Jr. to deny William S. Bennett Jr.'s future securities salesperson registration. The  
4 Securities Administrator finds as follows:

## 5 **FINDINGS OF FACT**

### 6 **I. Respondents**

7 1. William S. Bennett, Jr. (Bennett) is an individual residing in the State of Washington.  
8 Bennett was registered with the Securities Division as a securities salesperson for NYLife Securities, Inc.  
9 from October of 1992 to January of 2010. In January of 2010, Bennett's employment with NYLife  
10 Securities was terminated. Bennett is not currently registered as a securities salesperson with the  
11 Securities Division. While registered, Bennett's securities salesperson license was CRD # 2290482.

### 12 **II. Nature of the Conduct**

13 2. Bennett's mother, Lila S. Bennett, received benefit payments from the United States  
14 Department of Veterans Affairs ("VA") as the surviving spouse of a deceased veteran.

15 3. On August 7, 2006, Ms. Bennett died. Ms. Bennett's eligibility for VA benefits terminated  
16 upon her death.

17 4. After Ms. Bennett's death, the VA continued to make benefit payments by depositing funds  
18 in Ms. Bennett's Bank of America account.

19 5. Bennett was aware of his mother's death at the time she died. Bennett also knew that his  
20 family's eligibility for VA benefit payments terminated upon Bennett's mother's death.

21 6. After his mother's death, Bennett routinely transferred VA benefit payments that had been  
22 deposited into his mother's account to his personal bank account for his own use. In total, Bennett

1 transferred \$46,494 in VA benefit payments to his personal account before he was contacted by law  
2 enforcement.

3 7. Bennett spent these funds on personal expenditures despite knowing that he was not entitled  
4 to the funds.

5 8. Bennett pled guilty to one felony count of theft of government funds in violation of 18  
6 U.S.C. § 641 on December 15, 2009.

7 9. Bennett paid restitution of \$50,444 on December 18, 2009.

### 8 **CONCLUSIONS OF LAW**

9 Based upon the above Findings of Fact, the following Conclusions of Law are made:

10 1. Bennett, by pleading guilty to a felony count of theft of government funds in violation of 18  
11 U.S.C. § 64, has been convicted within the past ten years of a felony involving moral turpitude, which is a  
12 ground, pursuant to RCW 21.20.110(1)(c), for denial of any future securities salesperson registration  
13 application Bennett might file with the Securities Division.

### 14 **FINAL ORDER**

15 IT IS HEREBY ORDERED that William S. Bennett Jr.'s future securities salesperson  
16 registration be denied.

### 17 **AUTHORITY AND PROCEDURE**


18 This Order is entered pursuant to the provisions of RCW 21.20.110(1), and is subject to the  
19 provisions of RCW 21.20.120 and Chapter 34.05 RCW. Respondents have the right to petition the  
20 superior court for judicial review of this agency action under the provisions of chapter 34.05 RCW. For the  
21 requirements for filing a Petition for Judicial Review, see RCW 34.050.510 and sections following.

22 Pursuant to RCW 21.20.395, a certified copy of this order may be filed in Superior Court.

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2 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

3  
4 DATED AND ENTERED this 16<sup>th</sup> day of March, 2010.

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7 Approved by:

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10 \_\_\_\_\_  
11 SUZANNE SARASON  
12 Chief of Enforcement

Presented by:

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10 \_\_\_\_\_  
11 Edward R. Thunen  
12 Financial Legal Examiner