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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-SC01

STATEMENT OF CHARGES AND NOTICE  
OF INTENT TO DENY FUTURE  
SECURITIES SALESPERSON  
REGISTRATION

THE STATE OF WASHINGTON TO: William S. Bennett, Jr.

**STATEMENT OF CHARGES**

Please take notice that the Securities Administrator of the State of Washington has reason to believe that the Respondent, William S. Bennett, Jr. has violated the Securities Act of Washington. The Securities Administrator believes those violations justify the suspension of William S. Bennett, Jr.'s future securities salesperson registration pursuant to RCW 21.20.110(1). The Securities Administrator finds as follows:

**TENTATIVE FINDINGS OF FACT**

**I. Respondent**

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

1 **II. Nature of the Conduct**

2 2. Bennett’s mother, Lila S. Bennett, received benefit payments from the United States  
3 Department of Veterans Affairs (“VA”) as the surviving spouse of a deceased veteran.

4 3. On August 7, 2006, Ms. Bennett died. Ms. Bennett’s eligibility for VA benefits terminated  
5 upon her death.

6 4. After Ms. Bennett’s death, the VA continued to make benefit payments by depositing funds  
7 in Ms. Bennett’s Bank of America account.

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

10 6. After his mother’s death, Bennett routinely transferred VA benefit payments that had been  
11 deposited into his mother’s account to his personal bank account for his own use. In total, Bennett  
12 transferred \$46,494 in VA benefit payments to his personal account before he was contacted by law  
13 enforcement.

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

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

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

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4 **CONCLUSIONS OF LAW**

5 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are  
6 made:

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

11 **NOTICE OF INTENT TO DENY FUTURE REGISTRATION**

12 Pursuant to RCW 21.20.110(1), and based upon the above Tentative Findings of Fact and  
13 Conclusions of Law, the Securities Administrator intends to order that the future securities salesperson  
14 registration of the Respondent be denied.  
15

16 **AUTHORITY AND PROCEDURE**

17 This Order is entered pursuant to the provisions of RCW 21.20.110 and RCW 21.20.390, and is  
18 subject to the provisions of RCW 21.20.120 and Chapter 34.05 RCW. The Respondent may make a  
19 written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND  
20 OPPORTUNITY FOR HEARING accompanying this Order. If the Respondent does not request a  
21 hearing, the Securities Administrator intends to adopt the foregoing Tentative Findings of Fact and  
22 Conclusions of Law as final, and enter a permanent order against that Respondent denying the  
23 Respondent's future securities salesperson registration.

1 DATED AND ENTERED this 8th day of February, 2010.

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3 Approved by:

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6 \_\_\_\_\_  
7 SUZANNE SARASON  
8 Chief of Enforcement

Presented by:

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6 \_\_\_\_\_  
7 Edward R. Thunen  
8 Financial Legal Examiner