

STATE OF NEW HAMPSHIRE
DEPARTMENT OF STATE
BUREAU OF SECURITIES REGULATION
25 CAPITOL STREET
CONCORD, NH 03301

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NEW HAMPSHIRE
DEPARTMENT OF STATE

CONSENT ORDER
IN THE MATTER OF:

SANTANDER SECURITIES, LLC

INV2017-00018

- I. For purposes of settling the above-captioned matter, and in lieu of further administrative proceedings, Santander Securities, LLC (“SLLC”), has submitted an offer of settlement, which the State of New Hampshire, Department of State, Bureau of Securities Regulation (the “Bureau”) has determined to accept. Accordingly, without admitting or denying the facts and allegations contained herein, SLLC does hereby consent to the entry of this Consent Order and to the following:

STATEMENTS OF FACT

1. SLLC, CRD#41791, is a broker-dealer entity with a principal office listed at 2 Morrissey Boulevard, Dorchester, MA 02125. The mailing address is 2 Morrissey Boulevard, Mail Code MA1-MB2-03-17, Dorchester, MA 02125. Records from the State of New Hampshire, Secretary of State, indicate that SLLC has been a licensed broker-dealer in New Hampshire since 7/19/2006. The SLLC SEC number is 8-49571. As part of its business in the years 2011 and 2013, SLLC was in the business of selling PRMB (Puerto Rican Municipal Bonds) to its customers. PRMB were backed by the ability to pay the bonds by the government of Puerto Rico. At times SLLC would buy the bonds for their own account and sell the bonds from their account to their customers.
2. On or about 10/13/2015, FINRA (Financial Industry Regulatory Authority) executed an AWC (Acceptance, Waiver and Consent) number 2014041355501, related to MSRB (Municipal Securities Rulemaking Board) rule violations by SLLC in the sale of PRMB occurring from December 2012 to October 2013. In the AWC, SLLC is found to have violated MSRB Rule G-27 which requires broker-dealers selling municipal bonds to supervise the municipal securities activities of its associated persons, to ensure compliance with rules of the MSRB and to establish and maintain supervisory systems.
3. Investors in New Hampshire also bought PRMB from SLLC agents and suffered losses as a result of those sales. Investor #1, from Amherst, New Hampshire bought about \$77,231.08 of PRMBs on or about 7/24/2013. The bond was sold in March 2015 for about \$47,418.25 creating a loss in value of about \$29,812.83. Investor #2 from Nashua,

New Hampshire bought a PRMB from SLLC for about \$51,352.00 on or about 5/10/2011. The bond was down in value to about \$34,437.50 as of 11/6/2018.

4. The MSRB is a self-regulatory organization created under the authority of the Securities and Exchange Act of 1934, Section 15B. Under SEA 15B(b)(1) the Act created the MSRB and under SEA 15B(b)(2), the MSRB was given rule making authority under which Rule G-27 was promulgated.

STATEMENTS OF LAW

II. The staff of the Bureau hereby makes the following statements of law under the New Hampshire Revised Statutes Annotated, N.H. RSA 421-B, and regulations thereunder:

1. SLLC is a broker-dealer within the meaning of RSA 421-B:2.
2. Pursuant to RSA 421-B:10(a)(b)(2), the Secretary of State may by order deny, suspend, or revoke any license of a broker-dealer if he finds that the order is in the public interest, and that the broker-dealer has failed to comply with any provision of the Securities Exchange Act of 1934 or any rule under any of such statutes of which it has notice and of which it is subject. SLLC came under violation of RSA 421-B:10(a)(b)(2) when it was found by FINRA to have violated MSRB Rule G-27 by order of FINRA AWC dated 10/13/2015.
3. Pursuant to N.H. RSA 421-B:22, IV, in any investigation to determine whether any person has violated or is about to violate this title or any rule or order under this title, upon the secretary of state's prevailing at hearing, or the person charged with the violation being found in default, or pursuant to a consent order issued by the Secretary of State, the Secretary of State shall be entitled to recover the costs of the investigation, and any related proceedings, including reasonable attorney's fees, in addition to any other penalty provided for under this chapter. SLLC is subject to this provision.
4. Pursuant to N.H. RSA 421-B:26, III, any person who, either knowingly or negligently, violates any provisions of this chapter may, upon hearing, and in addition to any other penalty provided for by law, be subject to such suspension, revocation or denial of any registration or license, or an administrative fine not to exceed \$2,500, or both. Each of the acts specified shall constitute a separate violation. SLLC is subject to a fine for violations of N.H. RSA 421-B:10(a)(b)(2).
5. Pursuant to N.H. RSA 421-B:26, V, after notice and hearing, the Secretary of State may enter an order of rescission, restitution, or disgorgement directed to a person who has violated N.H. RSA 421-B. SLLC is subject to this provision.

SANCTIONS

III. In view of the foregoing, SLLC agrees to the following:

1.SLLC agrees that they voluntarily consented to the entry of this Consent Order and represents and avers that no employee or representative of the Bureau has made any promise, representation, or threat to induce their signing of this Order.

2.SLLC agrees to waive their right to an administrative hearing and any appeal thereof under this chapter.

3.SLLC agrees to cease and desist from any violations of N.H. RSA 421-B.

4.SLLC agrees that this Order is entered into for purposes of resolving only the matter as described herein. This Order shall have no collateral estoppel effect in any other lawsuit, proceeding, or action, not described herein. Likewise, this Order shall not be construed to restrict the Bureau's right to initiate an administrative investigation or proceeding relative to conduct by SLLC of which the Bureau has no knowledge at the time of the date of final entry of this Consent Order.

5.SLLC agrees not to take any action or make any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any allegation in this Consent Order or create the impression that the Consent Order is without factual basis. Nothing in this provision affects SLLC's right to take legal or factual positions in litigation or other legal proceedings in which the Bureau is not a party.

6.SLLC agrees, pursuant to this Consent Order, to pay an administrative fine of Two Thousand Five Hundred Dollars (\$2,500), including costs of Seven Thousand Five Hundred Thousand Dollars (\$7,500), total (\$10,000). Payment shall be made upon execution of the Consent Order to the State of New Hampshire. Payment must be made by 1) business check, certified check, or postal money order; 2) made payable to the State of New Hampshire; and 3) mailed to the Bureau of Securities Regulation, Department of State, State House, Room 204, Concord, New Hampshire, 03301.

7.SLLC agrees to pay restitution to Investors #1 and #2 based on the purchase price of the PRMBs and the value upon sale after netting interest payments received. SLLC calculated the realized loss for Investor #1 to be \$21,562.83. Payment to be


sent to the Bureau in checks made out to Investor #1 and #2 within 10 days of the execution of the Consent Order. SLLC to calculate the loss amount to Investor #2 after selling the PRMB and submit the loss payment to the Bureau. The sale shall take place within 10 days of the execution of this Consent. Along with the payment, SLLC will give a written breakdown of the restitution calculation based on the purchase price minus any bond interest paid.

8. This Order is not intended to form the basis of any disqualification under Section 3(a)(39) of the Securities Exchange Act of 1934 or Rule 506 of Regulation D under the Securities Act of 1933. This Order is not intended to form the basis of disqualification under the FINRA rules prohibiting continuance in membership absent the filing of a MC-400 application, or disqualification under the SRO rules prohibiting continuance of membership. This Order is not intended to form a basis of a disqualification under Section 204(a)(2) of the Uniform Securities Act of 1956 or Section 412(d) of the Uniform Securities Act of 2002, or any federal law, rule or regulation thereunder, or the rules and regulations of any self-regulatory agency, nor the laws, rules or regulations of the various states and U.S. territories, including, without limitation, any disqualification from relying upon the registration exemptions or safe harbor provisions.

VI. Based on the foregoing, the Bureau deems it appropriate and in the public interest to accept and enter into this Order. **THEREFORE, IT IS HEREBY ORDERED:**

1. Pursuant to RSA 421-B:23, issue an order to cease and desist against SLLC, for violations under the Act pursuant to RSA 421-B:23.
2. Assess an administrative fine of \$2,500 against SLLC for the above stated violations under the Act to be paid as stated above.
3. Assess costs of \$7,500.00 against SLLC for the Bureau's investigation to be paid as stated above.
4. Payment of restitution to Investor #1 in the amount \$21,562.83 and Investor #2 in an amount to be determined upon sale of the PRMB as stated above.

Executed this 11 day of December, 2018.

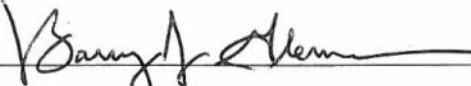


on behalf of SLLC

(Please print name below:

AZAN CHABOT

Entered this 14th day of December, 2018.



Barry Glennon, Director
N.H. Bureau of Securities Regulation