

UNITED STATES OF AMERICA  
Before the  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

ADMINISTRATIVE PROCEEDINGS RULINGS  
Release No. 3453/December 31, 2015

ADMINISTRATIVE PROCEEDING  
File No. 3-16801

In the Matter of

BENNETT GROUP FINANCIAL SERVICES, LLC, and  
DAWN J. BENNETT

ORDER FOLLOWING  
PREHEARING CONFERENCE

The Securities and Exchange Commission instituted this proceeding on September 9, 2015. A hearing is scheduled to commence on January 25, 2016.

On December 29, 2015, Respondents' counsel submitted a letter to this office, representing that Respondents had appealed a U.S. District Court's denial of a request for a preliminary injunction of this proceeding to the Fourth Circuit Court of Appeals. Respondents represented in the letter that "should the Court of Appeals not stay the administrative hearing before the January 25 hearing date, Respondents will not participate in the January 25 hearing on the merits."

I held a telephonic prehearing conference today, attended by counsel for the Division of Enforcement and counsel for Respondents, to address Respondents' letter. During the conference, Respondents' counsel stated that he would need to consult with his clients and co-counsel before he could definitively represent that Respondents would not appear at the January 25 hearing. Respondents' counsel agreed to submit a letter by Monday, January 4, 2016, clarifying whether Respondents were categorically waiving their right to participate in the hearing. If Respondents represent that they will not participate in the hearing under any circumstances, the Division may move to default Respondents at the start of the hearing.<sup>1</sup> Even if Respondents fail to appear at the hearing, however, I expect the Division to present evidence at the hearing regarding remedies, as well as to submit post-hearing briefing on why the factual allegations laid out in the Order Instituting Administrative and Cease-and-Desist Proceedings

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<sup>1</sup> During the prehearing conference held today, Respondents' counsel represented that issuing a show cause order would be unnecessary if Respondents failed to appear at the hearing. Respondents acknowledged during the conference that by failing to appear at the hearing, they would be found in default, the facts of the Order Instituting Administrative and Cease-and-Desist Proceedings would be found true, and the proceeding would be decided against them.

demonstrate the violations alleged. If the Division wishes to present witnesses at the hearing, it may do so through live, telephonic, or video testimony.

In light of Respondents' representations today, no prehearing briefs are required, and the prehearing conference scheduled for January 19, 2016, is canceled. To avoid prejudice to the Division as a result of Respondents' uncertain position, I granted the Division until January 11, 2016, to make the filings that were previously ordered due on January 4, 2016.

SO ORDERED.

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James E. Grimes  
Administrative Law Judge