

Item 1 – Cover Page

Santander Securities Corporation
Santander Tower B-7 Tabonuco Street
Suite 1800

Guaynabo, PR 00969

(787) 759-5340

www.santandersecurities.com

www.santandernet.com

March 31, 2012

This Brochure provides information about the qualifications and business practices of Santander Securities LLC (hereinafter “SSL”). If you have any questions about the contents of this Brochure, please contact us at (787) 759-5330. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

SSL is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about SSL also is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for SSL is 41791.

Item 2 – Material Changes

On July 28, 2010, the United States Securities and Exchange Commission (hereinafter “SSL”) published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure, dated March 31, 2012, is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past, we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year, December 31st. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Luis Roig, SSL’s Chief Compliance Officer, at (787) 759-5378.

Additional information about SSL is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with SSL who are registered, or are required to be registered, as investment adviser representatives of SSL.

Item 3 -Table of Contents

Item 1 – Cover Page.....	i
Item 2 – Material Changes	ii
Item 3 -Table of Contents.....	iii
Item 4 – Advisory Business	1
Item 5 – Fees and Compensation	3
Item 6 – Performance-Based Fees and Side-By-Side Management.....	5
Item 7 – Types of Clients	5
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	6
Item 9 – Disciplinary Information	8
Item 10 – Other Financial Industry Activities and Affiliations.....	8
Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading	9
Item 12 – Brokerage Practices.....	10
Item 13 – Review of Accounts	10
Item 14 – Client Referrals and Other Compensation	11
Item 15 – Custody	11
Item 16 – Investment Discretion	12
Item 17 – Voting Client Securities	12
Item 18 – Financial Information.....	12

Item 4 – Advisory Business

Since 1996, Santander Securities Corporation (hereinafter “SSL”) has been registered with the Financial Industry Regulatory Authority (hereinafter “FINRA”) as an introductory broker-dealer, clearing thru Pershing on a fully disclosed basis, to engage in the offer and sale of securities products. In addition, in November 1999 SSL registered with the United States Securities and Exchange Commission (hereinafter “SEC”) as an investment adviser. SSL is a wholly-owned subsidiary of Santander BanCorp, a privately held financial holding company organized under the laws of the Commonwealth of Puerto Rico. SSL’s advisory services are offered through certain Financial Consultants (“FCs”) who have registered as Investment Adviser Representatives (“Advisory Representatives”). Registration does not imply a certain level of skill or training. Santander BanCorp’s common stock is wholly owned by Banco Santander, S.A. (hereinafter “Santander”), a public company traded on the New York Stock Exchange. Other affiliates of SSL include Santander Asset Management, Banco Santander Puerto Rico, Santander Mortgage Corporation, Santander Insurance Agency, Santander Financial Services and Santander International Bank. However, as part of the Santander Group, SSL is affiliated with numerous other entities throughout a number of different companies. Please refer to Item 10 for information on affiliated entities with which SSL has material relationships and the method in which SSL manages certain conflicts that arise in such relationships.

As of December 31, 2011, SSL provided consulting services to approximately \$96.6MM in client assets.

SSL’s provides advice to clients via various services, including access to various institutional money managers via the Lockwood Sponsored Program and institutional investment consulting, as discussed further below:

Access to The Lockwood Sponsored Program:

SSL provides access to the Lockwood Sponsored Program (“the Program”), a wrap-fee program sponsored by an unaffiliated firm, Lockwood Advisors, Inc. (hereinafter “Lockwood”). Clients receive initial and ongoing assistance from their SSL Financial Consultant with regards to the Program portfolio manager (“Manager”) selection process. An Investor Profile Questionnaire is available to aid in analysis of the client’s investment objectives and risk/return preferences, leading to a determination of asset allocation and investment style(s). The SSL Financial Consultant is available to assist the client in his/her ultimate selection of Program Managers. The SSL Financial Consultant also provides ongoing support to each client with respect to updating/maintaining the client’s suitability

information and allocation across Program managers. Clients should be aware that SSL does not take discretion with the Program to hire/fire Managers. While the SSL Financial Consultant provides initial and ongoing recommendations to clients regarding which Managers to utilize and allocation between Managers, the final decision to retain or fire a Manager rests with each client.

As discussed further in Item 12, execution and clearance of transactions is provided by Pershing LLC, a division of Bank of New York, who acts as custodian on the accounts. Program clients receive confirmations on each Program trade, account statements for every month in which there is activity in the account and access to daily values and performance of the accounts. Clients participating in the Program should understand that SSL, in its separate capacity as a broker dealer, is also the introducing broker on a fully disclosed basis on each participating client account, and as such will receive separate and typical brokerage compensation as a result. Client should refer to Lockwood's Program wrap fee brochure for complete information on the Program. As discussed further under Item 10, SSL has a number of affiliated entities; however, none of these affiliates serve as Manager within the Program.

Institutional Investment Consulting:

SSL's customized service for institutions involves assisting the client with any or all of the following areas:

- Establishing an investment plan designed to meet the client's specific investment needs and objectives, taking into consideration the client's regulatory and tax environment.
- Identification or restructuring of investment classes and vehicles designed to meet the client's investment goals.
- Access to the Lockwood Sponsored Program, as described above, including ongoing review and monitoring of the asset managers (the "Managers") and investment vehicles selected by the client for the Accounts.
- Quarterly performance evaluation reports of the assets in the Accounts, by asset class and total portfolio.

Preparation of special advisory reports of the Accounts.

Retirement Plan Consulting:

SSL offers retirement consulting services to employee benefit plans (“Company”) and their fiduciaries. The services are designed to assist the plan sponsor in meeting their management and fiduciary obligations to the plan under ERISA. Retirement consulting services will consist of general or specific advice, and may include any one or all of the following: Investment policy development and review, plan review, cost review, acting as third party service provider liaison, assessment of plan investments and investment options and plan participant education and communication.

We will determine with the Company in advance the scope of services to be performed and the fees for all requested services. Prior to engaging us to provide pension consulting services, the Company will be required to enter into a written agreement with us setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, and the relevant fees and fee paying arrangements. The services outlined above that we provide are explained in more detail in the written agreement.

When we perform our agreed upon services, we will not be required to verify the accuracy or consistency of any information received from the Company.

We will serve in a fiduciary capacity with respect to some of the services that we provide which will be further explained in the written agreement we sign with the Company. The Company is always free to seek independent advice about the appropriateness of any recommendations made by us.

Item 5 – Fees and Compensation

The Lockwood Sponsored Program:

For its ongoing consulting services to clients, SSL receives a portion of the wrap-fee program fee charged by Lockwood to program participants. SSL's advisory fee ranges from 0.25% to 0.90%, depending on the strategy (e.g. equity, balanced or fixed income) selected by the client. As discussed above and under Item 12 of this brochure, SSL is also the broker of record, or introducing broker, on all Program accounts and as such receives separate and typical brokerage compensation, which is a portion of the total wrap-fee payable to Lockwood as Program sponsor.

Program clients are requested to refer to the Program wrap-fee disclosure brochure for complete information.

Institutional Investment Consulting:

SSL charges a percentage of assets under consultation for its institutional consulting services, as follows:

<u>Account Size</u>	<u>Annual SSL Fee</u>
First \$5 million	0.750%
Next \$2 million	0.625%
Next \$3 million	0.500%
Next \$5 million	0.350%
Balance over \$15 million	0.250%

SSL's fees are due and payable quarterly. You will be invoiced (or if you choose, and provide us with written authority to do so, we will deduct fees directly from the client's custodial account) in advance at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance) of your account at the end of the previous quarter.

General Information on Fees and Services:

In certain circumstances, Fees may be negotiated case-by-case basis, depending on a variety of factors, including the nature and complexity of the particular service, your relationship with us and our Financial Consultant, the size of the Account, the potential for other business or clients, the amount of work anticipated and the attention needed to manage your Account.

A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

All fees paid to SSL for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds, including 12b-1 fees, to their shareholders, including any mutual funds utilized in the Lockwood Sponsored Program. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. A client could invest in a mutual fund directly, without the services of SSL. In that case, the client would not receive the services provided by SSL which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives.

Accordingly, the client should review both the fees charged by the funds and the fees charged by SSL to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Item 6 – Performance-Based Fees and Side-By-Side Management

SSL does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). All fees are calculated as described above and are not charged on the basis of income or capital gains or capital appreciation of the funds or any portion of the funds of an advisory client.

Item 7 – Types of Clients

SSL's advisory services are available to individuals, banks and thrift institutions, pension and profit sharing plans, trusts, estates, and charitable organizations, and other business entities.

The Lockwood Sponsored Program provides our clients access to the investments advisory services of professional portfolio management firms for the individual management of client accounts. Account minimums are generally less than those required by such managers outside of their participation in the Program and range from \$100,000 to \$250,000. Additionally, there are discretionary managed account Program strategies that have investment minimums as low as \$50,000.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Within the Lockwood Sponsored Program, SSL relies on Lockwood which is responsible for the initial selection and ongoing review of Managers participating in the Program. The screening process for evaluating and selecting Managers utilized by Lockwood is:

- A. Minimum screening criteria
 - a. Assets under management
 - b. Length of track record
 - c. Stability of personnel
 - d. Compliance record
- B. Quantitative Screens
 - a. Style/cycle analysis
 - b. Risk-adjusted performance
 - c. Consistency & predictability
 - d. Fundamental Analysis
- C. Qualitative Analysis
 - a. People, philosophy, process
 - b. Investment research
 - c. Evaluation of firm
 - d. Performance composite
- D. Committee Review
 - a. Current opinion and key success factors
 - b. Performance analysis
 - c. Positioning & costs

Managers currently participating in the program are reviewed periodically. New Managers are reviewed on an as-needed basis. A participating Manager may be replaced should it be determined that the Manager has failed to meet one or more of the above selection criteria. In making a decision to replace a Manager, all criteria are taken into consideration; no one criterion is necessarily a determinant in the replacement decision. Additionally, in the review process Lockwood places emphasis on the Manager's long-term overall performance from both a qualitative and/or quantitative viewpoint. Short-term developments are monitored but are not necessarily sufficient for a decision by Lockwood to replace a portfolio manager.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear.

All investments present the risk of loss of principal – the risk that the value of securities, when sold or otherwise disposed of, may be less than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

More information about the risks of any particular market sector can be reviewed in representative mutual fund prospectuses managing assets within each applicable sector.

Each of the portfolio managers selected by Lockwood for participation in the Program may utilize specific strategies which create additional investment risk potential for SSL clients. While these risks are factored into the consulting services that SSL offers as part of the initial and ongoing selection of specific participating Program Managers, clients should refer to Lockwood's wrap-fee program brochure and/or the Form ADV Part 2A disclosure documents of participating portfolio managers for specific investment risks associated with that managers investment process.

Where applicable, mutual funds and ETFs utilized by Lockwood and/or Program Managers may include funds invested in domestic and international equities, including real estate investment trusts (REITs), corporate and government fixed income securities and commodities. Equity securities may include large capitalization, medium capitalization and small capitalization stocks. Mutual funds and ETF shares invested in fixed income securities are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings.

Among the riskiest mutual funds used in Lockwood's investment strategies are the U.S. and International small capitalization and small capitalization value funds, emerging markets funds, and commodity futures funds. Conservative fixed income securities have lower risk of loss of principal, but most bonds (with the exception of Treasury Inflation Protected Securities, or TIPS) present the risk of loss of purchasing power through lower expected return. This risk is greatest for longer-term bonds.

Certain funds utilized by Lockwood may contain international securities. Investing outside the United States involves additional risks, such as currency fluctuations, periods of illiquidity and price volatility. These risks may be greater with investments in developing countries. More information about the risks of any particular market sector can be reviewed in mutual fund prospectuses within each applicable sector.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of SSL or the integrity of SSL’s management. SSL has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Other Financial Industry Activities

In addition to the advisory services discussed in this brochure, Santander Securities is also a full-service broker-dealer operation which engages in three principal brokerage business: retail and institutional sales, trading and investment banking. Registered Representatives sell retail investments at its main office location, a branch in Miami, Florida and through the branch distribution network of Banco Santander. SSL engages in trading local securities to provide liquidity to customer positions and provide local products for sale to customers. Securities clearing is provided on a fully disclosed basis to clients by Pershing LLC, a division of Bank of New York.

In addition, Santander Securities effects transactions as a broker or agent for both advisory clients and other clients. In this connection, Santander Securities may from time to time act as principal in transactions with advisory clients and other clients. Santander Securities may, on occasion, act as a broker for an advisory client on one side and a client for whom it does not act as investment advisor on the other side of the a securities transaction. Such “agency cross” transaction are permitted when the account has granted its prior permission in conformity with Rule 205(3)-2 of the Investment Advisers Act of 1940, as amended, or when permission to effect the individual transaction has been granted prior to the completion of the transaction.

Other Financial Industry Affiliations

Santander Securities is a wholly-owned subsidiary of Santander BanCorp, a privately held financial holding company organized under the laws of the Commonwealth of Puerto Rico. Santander BanCorp’s common stock is wholly owned by Banco Santander, S.A. While this is not an exhaustive list, other affiliates of SSL include:

- Santander Asset Management, an investment adviser specializing in the management of institutional and registered investment companies under the Puerto Rico Investment Company Act. Santander Asset Management does not act as a Portfolio

Manager within the Program, nor is it selected as a portfolio manager for any SSL institutional investment consulting clients.

- Banco Santander Puerto Rico
- Santander Mortgage Corporation
- Santander Insurance Agency
- Santander Financial Services
- Santander International Bank

Certain of SSL's Directors also serve as officers of Santander BanCorp and/or Banco Santander Puerto Rico.

Certain representatives of SSL, in their individual capacities, are agents for various insurance companies. As such, when clients utilize these individuals in their capacity as registered representatives or as insurance agents, will be able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of such clients.

Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading

SSL has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. SSL's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients and sets forth SSL's practice of supervising the personal securities transactions of employees with access to client information. Individuals associated with SSL may buy or sell securities for their personal accounts identical or different than those recommended to clients. It is the expressed policy of SSL that no person employed by the firm shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, SSL requires that anyone associated with this advisory practice with access to advisory recommendations provide annual securities holding reports and quarterly transaction reports to the firm's principal. SSL also requires such access persons to receive approval from the Chief Compliance Officer prior to investing in any IPO's or private placements (limited offerings).

SSL's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information and protecting the confidentiality of client information. SSL requires that

all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to discipline.

SSL will provide a complete copy of its Code of Ethics to any client or prospective client upon request.

Item 12 – Brokerage Practices

Within the Lockwood Sponsored Program, SSL, in its capacity as a broker dealer, is also the broker of record on all Program accounts. As such, in addition to the advisory fees SSL charges to clients for participating in the Program, SSL will receive separate and typical brokerage compensation for acting as the broker of record. SSL is not, however, utilized as executing broker by any portfolio manager selected by Lockwood for management of Program transactions.

Advisory account transactions by sub-advisers and custody advisory assets are executed on a “best execution” basis through Pershing in connection with investment advisory programs. Under “best execution” condition a price that is as favorable as possible under the prevailing market conditions.

In connection with the provision of SSL’s advisory services, our choice of custodian will be limited to those choices approved by the Program sponsor.

Item 13 – Review of Accounts

Reviews:

SSL reviews each client account periodically. Additional account reviews may be triggered by any of the following events:

- A specific client request;
- A change in client goals and objectives;
- An imbalance in a portfolio asset allocation; and
- Material changes in market or economic conditions.

Reports:

Lockwood Sponsored Program clients receive confirmations on each Program trade, account statements for every month in which there is activity in the account and access to daily values and performance of the accounts. Program clients may also receive individual quarterly portfolio evaluations. Portfolio evaluations distributed by Lockwood Advisors use performance reporting software provided by CheckFree Investment Services, Inc. Portfolio evaluations are reviewed for accuracy by Lockwood prior to delivery to clients and are intended to inform clients as to how their investments have performed for a period, both on an absolute basis and compared to leading investment indices. Lockwood does not conduct reviews of individual client portfolio evaluations to determine whether client investment objectives are being met, which is the responsibility of the Financial Consultant at Santander Securities.

Institutional Investment Consulting clients may opt to receive Quarterly performance evaluation reports of the assets in the Accounts, by asset class and total portfolio. Such clients may also opt to have SSL prepare ad hoc advisory reports. Each of these options is available for an additional fee to the client.

Item 14 – Client Referrals and Other Compensation

Potential conflicts of interest may arise related to all forms of compensation and benefits received by SSL and Financial Consultant from third parties (such as mutual fund managers, third party asset managers, and through our executing broker) in connection with the sale of investment products and services to clients.

SSL also has a program under which Financial Consultants who refer institutional clients to SSL or one of SSL's affiliates will receive a fee from SSL (or the affiliate) based on a portion of the management fees earned by SSL or the affiliate. SSL may also, on a very limited basis, pay a fee equal to a percentage of the management fee to an account executive whose client(s) maintains substantial assets under management with SSL, and negotiates an institutional type brokerage arrangement with the referring account executive's firm.

Item 15 – Custody

Your account assets are maintained at our custodian, Pershing. Clients should receive at least quarterly statements from Pershing. SSL urges customers to carefully review such statements. Immediately notify SSL any discrepancy in such statements.

Item 16 – Investment Discretion

SSL is not provided with, and therefore does not exercise investment discretion, with respect to any SSL advisory client account.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, SSL does not have any authority to and does not vote proxies on behalf of clients. With respect to proxy voting for Lockwood Sponsored Program accounts, if the Program client is a tax-qualified retirement plan subject to ERISA, each of the selected manager(s) within the program is responsible for voting account proxies, unless the client has specifically opted to retain such proxy voting rights. With respect to Program clients which are not governed by ERISA, each client may either retain the right to vote proxies or delegate such authority to each Manager.

In limited circumstances, SSL may provide advice to clients regarding the clients' voting of proxies.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about SSL's financial condition. SSL has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.