

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 77725 / April 27, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-17229

In the Matter of

BENITO CHINEA,

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTION
15(b) OF THE SECURITIES EXCHANGE
ACT OF 1934, MAKING FINDINGS, AND
IMPOSING REMEDIAL SANCTIONS**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) against Benito Chinaea (“Chinaea” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Sections III.2. and III.4. below, and consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:

1. Chinaea, age 48, was the co-founder of Direct Access Partners, LLC (“DAP”) and served as its chief executive officer until August 2013. DAP was at all relevant times a broker-dealer registered with the Commission and a member of the Financial Industry Regulatory

Authority (“FINRA”), New York Stock Exchange (“NYSE”), NYSE MKT, and NASDAQ. China held FINRA General Securities Principal, Equity Trader, and General Securities registrations.

2. On April 6, 2016, a final judgment was entered by consent against China, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”), Sections 10(b) and 15(c)(1)(A) of the Exchange Act and Rules 10b-5, 10b-3, and 15b7-1 thereunder, in the civil action entitled *Securities and Exchange Commission v. Clarke Bethancourt, et al.*, Civil Action Number 1:13-CV-3074, in the United States District Court for the Southern District of New York.

3. The Commission’s Second Amended Complaint alleged, *inter alia*, that China devised and facilitated sham arrangements to conceal multi-million-dollar kickback payments to the Vice President of Finance at Banco de Desarrollo Económico y Social de Venezuela (“BANDES”), a state-owned and state-controlled economic development bank of the Bolivarian Republic of Venezuela, in exchange for DAP receiving BANDES business. The complaint also alleged that China arranged for and permitted a person not registered with FINRA to be compensated by DAP for effecting or being involved in effecting securities transactions while knowing that such person needed to be registered with FINRA, and to have passed the requisite qualification examinations, in order to conduct such activities.

4. On December 17, 2014, China pleaded guilty to one count of conspiracy to violate the Foreign Corrupt Practices Act and to violate the Travel Act in violation of 18 U.S.C. § 371, before the United States District Court for the Southern District of New York in *United States v. China, et al.*, Crim. No. 1:14-cr-00240. On March 27, 2015, a criminal judgment was entered against China. He was sentenced to a prison term of 48 months followed by three years of supervised release, a \$40,000 fine, and to forfeit the amount of \$3,636,432.

5. The conspiracy count to which China pleaded guilty alleged, *inter alia*, that China participated in a bribery scheme in which China and others made and caused to be made bribe payments to the Vice President of Finance at BANDES in exchange for the Vice President directing BANDES business to DAP and authorizing BANDES to execute bond trades with DAP.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent China’s Offer.

Accordingly, it is hereby ORDERED, pursuant to Section 15(b)(6) of the Exchange Act that Respondent China be, and hereby is:

barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent or other person who engages in activities with a broker, dealer or issuer for purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Brent J. Fields
Secretary