

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 90032 / September 28, 2020

ADMINISTRATIVE PROCEEDING
File No. 3-20093

In the Matter of

Benjamin Mekawy,

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”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against Benjamin Mekawy (“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 paragraph 2, 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. Mekawy, age 37, resides in Keansburg, New Jersey and was an employee of Seidel & Co., LLC (“Seidel & Co.” or the “Firm”), a broker-dealer registered with the Commission, from 2010 until the Firm ceased operations in January 2017. Mekawy was hired to work on the Firm’s informational technology needs, but his role expanded over time to include assisting in functions relating to the operations of the broker-dealer. He has never held any securities licenses.

2. On September 24, 2020, a judgment was entered by consent against Mekawy, permanently enjoining him from aiding and abetting any violation of Sections 15(c)(3) and 17(a)(1) of the Exchange Act and Rules 15c3-1 and 17a-3(a)(2) thereunder, in the civil action entitled Securities and Exchange Commission v. Benjamin Mekawy, et al., Civil Action Number 19 Civ. 11731 (VM), in the United States District Court for the Southern District of New York.

3. The Commission’s complaint alleged that Mekawy, knowing that the Firm was out of net capital or close to being out of net capital, concealed from the Firm’s FINOP a liability for approximately \$166,000.00 in unpaid rent by deliberately failing to record the liability in the firm’s general ledger, even though he knew the firm owed the back rent. The Complaint further alleged that Mekawy doctored an account statement for one of the Firm’s cash deposit accounts to make it appear as though the Firm had more funds on deposit than it actually did. This conduct aided and abetted the firm’s violations of Sections 15(c)(3) and 17(a)(1) of the Exchange Act and Rules 15c3-1 and 17a-3(a)(2) thereunder.

IV.

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

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act, and that Respondent Mekawy 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, compliance with the Commission’s order and payment of any or all of the following: (a) any disgorgement or civil penalties ordered by a Court against the Respondent in any action brought by the Commission; (b) any disgorgement amounts ordered

against the Respondent for which the Commission waived payment; (c) any arbitration award related to the conduct that served as the basis for the Commission order; (d) 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 (e) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

For the Commission, by its Secretary, pursuant to delegated authority.

Vanessa A. Countryman
Secretary