

3-17677

LEK SECURITIES CORP.'S APPLICATION FOR REVIEW

Pursuant to Section 19(d)(2) of the Securities Exchange Act of 1934 (“Exchange Act”), and Rule 420 of the Commission’s Rule of Practice, Lek Securities Corp. (“LSC”),¹ submits this Application for Review of the decision of the National Adjudicatory Council (“NAC”) dated October 11, 2016 and the underlying Hearing Panel decision dated December 30, 2014 (collectively, “the Decisions”) in FINRA Complaint No. 2009020941801.

The Decisions’ findings that LSC violated NASD Conduct Rules 3011(a) and 2110 and FINRA Rules 3310(a) and 2010 by failing to establish and implement adequate anti-money laundering (“AML”) policies, procedures and internal controls were incorrect because, among other things, LSC’s conduct was reasonable under the circumstances and LSC’s monitoring systems were at all times efficient and useful and in accord with industry standards in monitoring for, and reporting, potentially suspicious trading and money movements into and out of accounts.

Even if LSC violated any of the aforementioned Rules, the fines imposed should be reversed because they are punitive and not warranted given the numerous mitigating factors.

In addition, the Decisions’ findings were incorrect because the Hearing Panel misapplied the law and relied on inapplicable authority, and the conclusions were based on speculation, not evidence. For example, without limiting the generality of the foregoing, the issues which LSC requests review include the following:

- a) LSC failed to tailor its AML manual to LSC’s business and the LSC manual lacked specific guidance regarding how to review and investigate potentially manipulative trading for purposes of determining whether to file a Suspicious Activity Report (“SAR”);

¹ LSC, which may be served through the undersigned, is located at One Liberty Plaza, 165 Broadway, 52nd Floor, New York, NY 10006, (212) 509-2300.

- b) LSC's controls and filters were not designed to flag potential manipulation;
- c) Mr. Lek acknowledged that that LSC's real-time monitoring and controls were insufficient;
- d) Dimension reported to LSC that DTI's pre-market cancellations were inappropriate;
- e) Mr. Lek concluded that the contents of the WSPs do not matter;
- f) LSC did not implement certain recommendations of Frank Calimano, who performed independent AML audits of LSC;
- g) LSC's AML program was not reasonably designed to achieve compliance with its AML responsibilities and applicable SAR reporting requirements;
- h) LSC did not adequately implement its AML program;
- i) LSC did not have procedures for investigating items identified in exception reports or for determining whether to file a SAR;
- j) LSC did not document any review or investigations that were performed;
- k) LSC did not fully embrace the need to develop a coherent AML program for investigating and reporting suspicious trading and that there was a resistance to articulate AML procedures and AML decision making;
- l) It was unreasonable to expect employees to understand the connection between prohibited transactions and AML concerns without more guidance; and
- m) LSC personnel largely ignored the need to document AML reviews.

Respectfully submitted,

Kevin J. Harnisch | *IBS*

Kevin J. Harnisch

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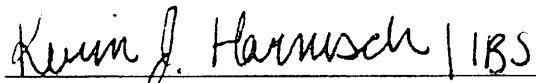
Date: November 10, 2016

CERTIFICATE OF SERVICE

I hereby certify that on November 10, 2016, I caused the foregoing to be served by first class mail, return receipt requested, on the following:

The Office of the Secretary
U.S. Securities and Exchange Commission
100 F Street NE
Mailstop 1090-10915
Washington, DC 20549-5973

Attn: Colleen Durbin
Office of General Counsel
FINRA
1735 K Street, NW
Washington, DC 20006

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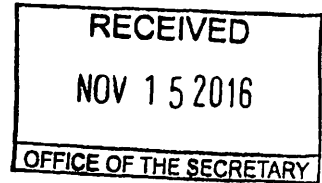
NORTON ROSE FULBRIGHT

November 10, 2016

**By Certified Mail
Return Receipt Requested**

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U.S. Securities and Exchange Commission
100 F Street NE
Mailstop 1090-10915
Washington, DC 20549-5973

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Re: Application for Review National Adjudicatory Council Decision in Complaint No. 2009020941801: Lek Securities Corporation

To Whom it May Concern:

On behalf of our client, Lek Securities Corp. ("LSC"), enclosed please find LSC's Application for Review of the decision of the National Adjudicatory Council ("NAC") dated October 11, 2016 and the underlying Hearing Panel decision dated December 30, 2014 in FINRA Complaint No. 2009020941801. Please also find enclosed notices for appearance for the undersigned and my colleague Ilana B. Sinkin, who will represent LSC in this matter. An original and three copies of all documents are being provided.

Sincerely,

A handwritten signature in black ink that reads "Kevin J. Harnisch" followed by the initials "KJH".

Kevin J. Harnisch

Enclosures

cc: (one copy only): Colleen Durbin, FINRA Office of General Counsel