

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 58257 / July 30, 2008**

**INVESTMENT ADVISERS ACT OF 1940**  
**Release No. 2762 / July 30, 2008**

**ACCOUNTING AND AUDITING ENFORCEMENT**  
**Release No. 2854 / July 30, 2008**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-13108**

**In the Matter of**

**PHILLIP R. BENNETT,**

**Respondent.**

**ORDER INSTITUTING**  
**ADMINISTRATIVE PROCEEDINGS**  
**PURSUANT TO SECTION 15(b) OF THE**  
**SECURITIES EXCHANGE ACT OF 1934**  
**AND SECTION 203(f) OF THE**  
**INVESTMENT ADVISERS ACT OF 1940,**  
**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 Phillip R. Bennett (“Bennett” 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, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Section III.2. below, which are admitted, Respondent consents to the entry of this Order Instituting Administrative Proceedings Pursuant to Section 15(b) of the Securities Exchange Act of 1934 and Section 203(f) of the Investment Advisers Act of 1940, 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. Bennett, age 60, a resident of Gladstone, New Jersey was associated with Refco Securities, LLC, a registered broker-dealer, from August 1999 to October 2005. Bennett held a controlling interest in Refco Securities until August 2004. In addition, from December 1999 to October 2005, Bennett was a member of the board of managers of Refco Securities, which managed and controlled the broker-dealer’s business and affairs. From August 1999 to October 2005, Bennett held a controlling interest in and was chairman of the board of managers of Forstmann-Leff Associates LLC and FLA Asset Management LLC, both of which were registered as investment advisers with the Commission. He is not currently associated with any regulated entity.

2. On July 29, 2008, a final judgment was entered by consent against Bennett, permanently enjoining him from future violations of Section 17(a) of the Securities Act of 1933 (“Securities Act”), Sections 10(b) and 13(b)(5) of the Exchange Act, and Exchange Act Rules 10b-5, 13b2-1, and 15d-14 and from aiding and abetting violations of Sections 13(b)(2)(A), 13(b)(2)(B), and 15(d) of the Exchange Act and Exchange Act Rules 15d-2 and 15d-13, in the civil action entitled United States Securities and Exchange Commission v. Phillip R. Bennett, Civil Action Number 08-cv-1631 (GEL), in the United States District Court for the Southern District of New York.

3. The Commission’s complaint in that action alleged, among other things, that from at least 1998 to October 2005, Bennett orchestrated a fraudulent scheme that repeatedly concealed, at the end of Refco fiscal periods, hundreds of millions of dollars owed to Refco Inc. and its corporate predecessor Refco Group Ltd. (together “Refco”) by a non-Refco entity that Bennett controlled. In addition, the complaint alleged that, in 2004 and 2005, Bennett directed practices that artificially inflated Refco’s results of operations. As a result of this conduct, Refco provided false and materially misleading information in registration statements and other reports it filed with the Commission and provided to investors.

#### IV.

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

Accordingly, it is hereby ORDERED:

Pursuant to Section 15(b)(6) of the Exchange Act and Section 203(f) of the Advisers Act, that Respondent Bennett be, and hereby is barred from association with any broker, dealer, or investment adviser;

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.

Florence E. Harmon  
Acting Secretary