



Charles L. Bennett, Esq.

Professional Experience

Senior capital markets executive and corporate securities lawyer with over 30 years experience in all aspects of private placement distributions and registered public offerings. Advisor and consultant to corporate boards and executives providing significant insights to clients on matters of corporate governance, institutional and retail compliance, risk management, due diligence investigations, reasonable basis inquiries, investment banking, underwriting syndicate practices, real estate securities underwritings, and retail brokerage sales. Chief compliance officer and in-house counsel responsible for development, implementation and day to day oversight of sales practices, supervisory processes, and compliance systems for, retail broker dealers and investment advisors, operating divisions of fully integrated investment banks, and insurance affiliated broker dealers. Legal counsel to real estate syndication companies, retail broker-dealers, investment advisors and investment management companies, assuring executives, managers and supervisors that institutional and retail sales practices, trading practices, books and records, and the regulated operations of capital markets, and investment banking activities operate in compliance with applicable legal and regulatory mandates.

January 2005 to Present

President, Capital Markets Management Consultants, LLC

- Provide expert witness testimony and litigation support on all sales practice related matters arising under SEC and FINRA rules and regulations, particularly matters involving;
 - the structure and sale of real estate investment programs
 - excessive fees and structuring of public offerings and private placements
 - undisclosed and inappropriate conflicts of interests
 - allegations of fraudulent sales practices
 - failure to adhere to fiduciary obligations of agents, advisors, and representatives,
 - analysis of excessive trading and churning
 - suitability determinations
 - customer account analysis, including calculation of excessive commissions
 - excessive and mark-up and mark-down practices
 - analysis of reasonable basis inquiries for public and private agency offerings,
 - analysis of due diligence investigations

- Advise real estate syndication companies on the customs and practices in the industry, particularly related to program structure and sales support, capital markets analysis, management and financial consulting, improving the efficiencies of their compliance, internal controls and other procedures and processes.



- Adjunct professor New York University (through April 2014) lecturing on all aspects of the customs and practices related to the real estate syndications industry.
- Provide registered broker dealers and investment advisors, registered representatives, real estate securities companies and capital markets firms with corporate governance, board and management advice and regulatory consulting designed to improve the efficiencies of their governance, compliance and sales processes.
- Provide consulting services on a wide range of written supervisory procedures, internal controls, broker dealer sales practice, supervisory procedures and operational matters, particularly involving due diligence in public offerings and reasonable basis inquiries for best efforts public offerings and private placements, suitability determinations, sales practice matters, risk management and product sales, branch office management and oversight, as well as the structure of initial public offerings ("IPO"), the fairness of underwriting compensation and distribution terms and arrangements, the functioning of the IPO markets, and the commencement of aftermarket trading following termination of an IPO.

January 2012 to Present
Of Counsel, Kunzman & Bollinger, Inc.

- Provide legal advice, consultation and representation on the securities registration process related to the structuring of public and private investment programs to a wide range of the firm's client's in front of the SEC, FINRA and state securities authorities.
- Develop, file and negotiate requests for interpretive advice and no-action letters with the SEC's Division of Corporation Finance, and FINRA's Corporate Financing Department and the Office of General Counsel.
- Provide advice and represent members and their associated persons before FINRA District Offices, Enforcement Department, Market Surveillance, the Office of General Counsel, Registrations and Qualifications Department, and Corporate Financing Department.



September 2004 to January 2011

Senior Vice President, Commercial Practice Group, and General Counsel (since January 2009)
Intercom Consulting and Federal Systems, Inc.

- Responsible for Legal, Corporate Governance and Human Resources functions for an IT consulting firm deploying approximately 85 engineers into long term positions as network developers and operations and maintenance engineers, primarily for the Department of State.
- Responsible for operations of the Commercial Practice Group which provided consulting services to commercial clients and government sponsored enterprises.
- Advised clients on selection, installation and implementation of technology based compliance and corporate governance solutions designed to address general compliance with the requirements of
 - Sarbanes Oxley Act of 2002, ("SOX"),
 - Graham, Leach, Bliley Act of 2001 ("GLB"),
 - the USA Patriot Act of 1999, ("AML"); and
 - SEC and FINRA rules and regulations relating to retail sales practices, trading markets systems, automated rules based exception reporting systems, client account and suitability documentation, e-mail surveillance, electronic record keeping, business continuity planning, internal controls, and management of key corporate objectives
- Managed a staff of computer engineers that developed proposals and advised clients on commercial IT network design configurations
- Project manager in connection with installation of IT networks and VOIP installations
- Performed contracts negotiation and review in support of both Federal Systems and Commercial Practice Groups.

May 2002 to August 2004

Vice President, Compliance, Hornor, Townsend & Kent, Inc.

- Provided advice to Senior Management and the Board of Directors on emerging industry issues.
- Evaluated and participated in installation of new systems to assure compliance with certain provisions of GLB, SOX, and SEC books and records regulations, and NASD Conduct Rules requiring internal controls audits, and annual CEO-CCO certification of supervisory systems.
- Supervised a staff of 10 professionals that provided legal and compliance advice to New Business Development, Retail Sales and Marketing, Trading and Operations, Contracts and Licensing.



- Established the Firm's Due Diligence Committee and developed the written supervisory procedures utilized to assure compliance with best practices in product due diligence.
- Responsible for developing and assisting in the development of sales and marketing systems, as well as supervisory, compliance and oversight systems for a broker dealer and investment advisor with a nationwide distribution system of over 1,300 brokers and 46 branch offices.
 - Updated corporate e-mail monitoring and surveillance system, including engaging new vendor and transitioning to new system.
 - Revised new account documentation and suitability procedures and processes to comply with amendments to SEC record keeping rules.
 - Managed the transition to a new clearing firm, including development of parameters for rules based compliance systems developed to detect excessive trading, mutual fund late trading, front running and unsuitable trading.
 - Managed and coordinated responses to customer complaints related to potential broker misconduct and alleged fraudulent sales practices.
 - Supervised the investigation and preparation of responses to regulatory inquiries made by federal and state regulators and self regulatory organizations, regarding allegations of fraudulent sales and trading practices and allegations of broker misconduct, including excessive commissions, ponzi schemes, late trading of mutual funds, excessive trading and unsuitable trading.
 - Assisted in integration of new automated systems to assure compliance with USA Patriot Act.
 - Revised supervisory manuals and supervised upgrade of data systems essential to the new branch office supervisory systems.

November 1998 to April 2002

Vice-President Syndicate and Capital Markets Compliance Counsel, BB&T Capital Markets, a Division of Scott & Stringfellow, Inc., Richmond, VA, March 2001 to April 2002, (November 1998 to March 2001 operating as Edgar M. Norris and Co., Greenville, SC, prior to acquisition by BB&T)

Compliance, Legal and Regulatory Matters:

- Primary legal and regulatory contact for issues affecting approximately 250 employees engaged in equity trading, institutional sales, research, taxable and non-taxable fixed income and municipal trading and origination, and corporate finance.



- Primary compliance officer responsible for sales practice and branch office compliance examinations of the Firm's South Carolina retail branch offices.
- Developed responses to regulatory inquiries initiated by NASD, SEC and state regulatory agencies involving all aspects of regulatory oversight and allegations of broker misconduct or fraudulent activity including routine examinations and investigations of activity occurring in Capital Markets Division and in the South Carolina retail branch offices.
- Participated as a member of the Due Diligence Committee evaluating prospective public and private offerings for potential underwriting or distribution by the registered sales force
- Developed compliance and supervisory procedures required by the Firm in order to comply with implementation deadlines for SEC Rule 11Ac1-5 (Order Display Rule) and SEC Rule 11Ac1-6 (Order Routing Disclosure Rule).
- Investigated and responded to customer and counter party complaints relating to trading activity on the equity and fixed income trading desks and to trading and sales practice violations related to allegations of excessive trading and churning.
- Managed and directed outside counsel in connection with formal responses to customer complaints, arbitration and legal proceedings.
- Prepared and updated supervisory procedures for equity and fixed income trading desks, and research department.

Syndicate and Capital Markets Activities:

- Managed public offerings of small bank holding companies, and real estate operating companies raising approximately \$20,000,000 generating over \$1,400,000 in underwriting fees and selling concessions.
- Participated in public underwriting syndicates managed by other broker-dealers generating revenues in excess of \$1,000,000.
- Analyzed business plans and determined efficient methods of raising capital for corporate clients.
- Established and maintained syndicate relations to assure successful underwritings when the Firm acted as lead manager of public offerings of the securities of corporate clients.



Supervisory Activities:

- Managed and supervised the regulated activities of 250 persons involved in over-the-counter trading, listed and block trading, institutional sales and trade support on equity trading desk which made principal markets in over 200 Nasdaq Stock Market and New York Stock Exchange ("NYSE") listed securities.
- Reviewed principal inventory accounts and BRASS Trading Activity Reports daily to assure compliance with the Firm's risk management policies and SEC, NYSE and Nasdaq Stock Market rules.
- Reviewed all employee trading in Research, Institutional Sales, Equity Trading, Trade Support and Corporate Finance Departments for compliance with Watch List and Information Barrier procedures.

May 1998 to November 1998

Expert Witness and Consultant. Provided self-regulatory and governmental entities with consulting and expert witness services regarding the initial public offering process and commencement of trading in the immediate aftermarket after termination of the IPO.

March 1984 to April 1998

Director, Corporate Financing, FINRA (f/k/a) National Association of Securities Dealers, Inc. (NASD) and NASD Regulation, Inc., ("NASDR") 1990 to 1998, (**Supervisor and Assistant Director** 1987 to 1990), (**Analyst and Senior Analyst**, 1984 to 1986) Washington, D.C.

Management:

- Directed operations of a 31 employee department that reviewed over 2,200 offerings each year raising approximately \$355 billion; responsible for staffing, systems technology development, strategic planning, and supervision of department that generated approximately \$18 million in revenues.
- Program Manager of Corporate Offerings Pilot Program, coordinating over 100 employees in six NASDR, Inc. and Nasdaq offices with policy, budget and staffing authority, in a regulatory surveillance/anti-fraud program designed to monitor securities offerings and combat abusive underwritings that threatened the integrity of the public markets.



Enforcement:

- Investigated and assisted in the prosecution of major enforcement actions involving abusive underwriting practices in public and private securities offerings through establishment of an investigations unit.
- Provided testimony in enforcement actions and federal and state investigations on distribution-related rules of the SEC and the NASD.

Legal/Industry/Liaison Advice:

- Provided partner-level legal advice and information on industry practices to the Board of Governors, its Committees, and staff with respect to the SEC's public and private offering rules under the Securities Act of 1933 and the Securities Exchange Act of 1934 as well as distribution-related rules of the NASD and the states.
- Member of the Executive Committee, SEC Government-Business Forum on Small Business Capital Formation, which Forum provides small businesses, their advisors and investors with a venue to discuss issues and regulatory policies that affect small business capital formation.
- Communicated NASD policies on capital markets issues and initiatives to the Syndicate Committee of the Securities Industry Association ("SIA"); the National Association of Real Estate Investment Trusts ("NAREIT"); the Investment Program Association ("IPA"); the Small Business and Direct Participation Program Committees of the North American Securities Administrators Association ("NASAA"); and the Regional Investment Bankers Association ("RIBA").

Regulatory Policy Implementation and Development:

- Implemented regulatory policy for broker/dealer-underwriter industry, promulgated rules through the Corporate Financing and Issuer Affairs Committees of NASDR and the Nasdaq Stock Market.
- Reviewed underwriting arrangements of public offerings for compliance with the Corporate Financing Rule and NASD and SEC rules related to the distribution of corporate and REIT securities, and direct participation program securities (limited partnership investments).
- Developed NASD rulemaking initiatives to address regulatory issues and industry concerns with respect to underwriting terms and arrangements, corporate governance and Nasdaq Stock Market listing requirements, and procedures to comply with SEC policies with respect to REIT



trading, limited partnership roll-ups, limited partnership valuations, micro-cap offerings, syndicate practices and securities clearance and settlement.

1986 to 1987

Assistant General Counsel, Sierra Capital Companies, San Francisco, California (for a ten (10) month period between service with NASD.)

- Managed a four person general counsel's office and outside securities and corporate counsel, reporting directly to the General Counsel.
- Provided legal advice, compliance, and oversight on all aspects of SEC, SRO and state broker-dealer rules and regulations related to distributions of REIT securities.
- Prepared, filed and obtained effectiveness from the SEC of registration statements filed on behalf of six company sponsored REITs that sought to raise in excess of \$500 million dollars.
- Primary legal contact for listing and compliance with the rules of the American Stock Exchange and Nasdaq Stock Market.
- Prepared and filed SEC periodic reports as required under the Securities Exchange Act of 1934 for six company sponsored REITs.

May 1983 to March 1984

Securities Counsel, Consolidated Capital Equities Corporation, San Francisco, California

- Prepared and filed SEC periodic reports required under the Securities Exchange Act of 1934 on public real estate and real estate related partnerships and mortgage REITs.
- Prepared and filed post-effective amendments for registration statements that raised \$600 million and monitored sales efforts of private placement real estate partnerships to assure compliance with Regulation D and other state and federal rules and regulations.

August 1979 to January 1980

Options Trading Floor, Pacific Stock Exchange, San Francisco, California

- Responsible for matching options positions and assuring trade accuracy prior to reporting trades to the tape.



Education

- Georgetown School of Law, Washington, DC, Masters of Law, Securities, 1994.
- University of San Francisco School of Law, San Francisco, CA, Juris Doctor, 1983.
- University of South Florida, Tampa, FL, Bachelor of Arts, Finance, 1979.

Professional Affiliations

- California Bar Association
- District of Columbia Bar Association, and
- American Bar Association

Securities Industry Qualifications and Examinations

- NASD and NYSE licenses required to supervise the regulated sales and trading activities of an SEC registered broker-dealer including;
 - Series 7- General Securities Exam;
 - Series 66- Uniform State Law Exam;
 - Series 24- General Securities Principal Exam;
 - Series 55- OTC Securities Traders Exam;
 - Series 9- Options Supervisory Sales Exam; and
 - Series 10- General Securities Supervisory Exam (CE Termed).

Committees, Task Forces, and Roundtables

- Examination Development and Review Committee, Series 82, Limited Representative-Private Securities Offerings, FINRA, 1999 to 2010.
- Examination Development and Review Committee, Series 22/39, Direct Participation Programs Limited Representative and Limited Supervisor, FINRA, 2001 to 2005.



- Government Affairs Liaison, Southern and South Central District, Securities Industry Association, 2000 to 2003.
- Executive Committee, SEC Small Business Forum, 1996 to 2004.
- Syndicate Committee, Securities Industry Association, 1994 to 2002.
- SEC Roundtable. The Potential Impact on Small Business of Proposed Amendments to SEC Regulations D and S, March 1997.
- SEC/SRO Taskforce on the Impact of Internet on Federal Securities Laws and Self-Regulatory Organization Rules, 1996 to 1998.
- NASAA Direct Participation Programs and Coordinated Equity Review Committee, 1996 to 1998.
- SEC/ABA Working Group to Modernize Regulation A.

Teaching

- Adjunct Professor, New York University 2006 to 2015, business and legal considerations related to creating equity investment opportunities in real estate and real estate related securities, including partnerships, TICs, LLCs and REITs
- Senior Instructor, NASD Examiner Training, 1988 to 1996, taught new employees the regulatory framework of capital formation including SEC Regulation(s) A, D and S, Rules 144 and 144A under the Securities Act of 1933, SEC Rules 10b-9 and 15c2-4 and the "Trading Practices Rules" under the Securities Exchange Act of 1934; NASD Corporate Financing Rule, Schedule E to the NASD By-laws and Appendix F to Section 34 of the NASD Rules of Fair Practice
- Instructor, NASAA Analyst Education, 1991, 1993, 1996 and 1997, lectured on Small Business Financing, NASD Corporate Financing Rule, Schedule E to the NASD By-laws and Appendix F to Section 34 of the NASD Rules of Fair Practice
- Lecturer, Division of Corporation Finance, SEC Attorney-Advisor Training, 1989, 1990, and 1995 to 1999, NASD underwriting and distribution related rules and regulations
- Lecturer, Securities Division, Arizona Corporation Commission, 1992 to 1996, NASD Rules of Fair Practice



Public Speaking

- **A Primer on the “Life-Cycle” of Non-Traded REITs**, November 13, 2014, Examiner Training Conference, North American Securities Administrators (“NASAA”) St. Louis, MO.
- **Non-Traded REITs Can Provide Total Returns Consistent with a Growth Portfolio if they are held Until Fully Liquidated**, November 15, 2014, Examiner Training Conference, North American Securities Administrators (“NASAA”) St. Louis, MO.
- **Municipal Securities Distributions and Trading Markets in Flux—Current Regulatory Initiatives of the MSRB and SEC Will Affect Banking Engagements**, September 20-21, 2012, Smith’s High Yield Municipal Bond Conference, Stamford, CT
- **Mending Broken Bond Deals, Emerging Trends in Municipal Regulations and Compliance**, September 13-14, 2011, Smith’s High Yield Municipal Bond Conference, Stamford, CT
- **Life in the Fish Bowl after the Bernie Madoff Scandal--Sales Practices, Compliance and Internal Controls for Broker Dealers and Investment Advisors**, September 18, 2009, Anderson Kill Policy Holder Advisor Conference, Philadelphia, PA
- **Amendments to NASD Conduct Rule 2810, Application of the Proposed Underwriting Compensation Rules to the World of Non-Traded REITs**, April 2007, Investment Program Association, Phoenix, AZ
- **The Seven Percent Dilemma in Major Underwritings**, April 1998, Regional Investment Bankers, Atlanta, GA
- **Underwritings and Electric Commerce on the Internet**, November 1997, NASD Fall Compliance Seminar, Phoenix, AZ
- **The Impact of Pre-Offering Private Placements and Bridge Financing on Underwriting Compensation**, Breakout Session, February 1997, Regional Investment Bankers, Hutchinson Island, FL
- **Small Business Capital Formation and the Internet**, September 1997, Philadelphia, PA
- **Proposed Changes to SEC Regulations(s) D and S. Will They Aid in the Battle Against Small Business Fraud?** May 1997, Regional Investment Bankers, Newport Beach, CA



- ***The Regulatory Response to the Advent of Internet Underwritings***. April 1997, NASD Spring Securities Conference, Washington, D. C.
- ***NASD Initiatives Supporting Implementation of the SEC Order Handling Rules***, February 1997, Hutchinson Island, FL
- ***The Evolution of the SEC Trading Practice Rules***, December 1996, Securities Industry Association, Syndicate Committee Breakfast, Boca Raton, FL
- ***Implementation of Electronic Reporting of Hot Issues***, Six cities throughout the country, May-July 1996

Expert Testimony

- U.S. v Swan, before the Federal District Court in the State of Nevada
- U.S. Energy Systems, Inc. v Enviro Partners, L. P., et al.
- Kahn v EBI Securities, before the Superior Court of the State of California, Santa Barbara, County
- U.S. v Nazareno, before the Federal District Court, Eastern District of New York
- U.S. v Besarney, before the Federal District Court, Eastern District of New York
- U.S. v Stephen J. Drescher, before the Federal District Court, Southern District of New York
- Reggie White v Merrill Lynch Pierce Fenner & Smith, before FINRA Arbitration
- Thomas O'Shea v Meriman Curran & Ford, before FINRA Arbitration
- Mastrilli v TD Ameritrade, before FINRA Arbitration
- WNC & Associates, Inc. v The Stellar Family Trust, before the Superior Court of the State of California, Orange County
- Freedom Financial Group, Inc. v Janice M. Woolley, before Dist. Ct., Douglas County, Nebraska)



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- Jorge Canavati and Carmen Canavati, his wife, and Gunga Din Limited v Global Financial Services, LLC, before FINRA Arbitration
 - GROUPO v Global Financial Services, LLC, before FINRA Arbitration
 - In the Matter of Securities America, Inc., before the Securities Division of the Commonwealth of Massachusetts
 - Wayman v Securities America, Inc., before FINRA Arbitration
 - In the Matter of Securities America, Inc., before the Commissioner of Securities and Insurance, Office of the State Auditor, State of Montana
 - In the Matter of Securities America, Inc., before the State of New Hampshire, Bureau of Securities Regulation
 - I. Schulman v Securities America Inc., Before FINRA Arbitration
 - Vallencourt v Pointe Capital, Inc., before FINRA Arbitration
 - Kantor v Goslin, before FINRA Arbitration
 - VSR Securities v Duley, before FINRA Arbitration
 - Erickson v National Planning Corporation, before FINRA Arbitration
 - Robert Boyatt, et. al. v Investors Capital Corporation, before FINRA Arbitration
 - Goldman v SAI, before FINRA Arbitration
 - Hirsch v Securities America, Inc., before FINRA Arbitration
 - SEC v Donald J. Anthony, Jr., ADMINISTRATIVE PROCEEDING FILE NO. 3-15514
 - Gregorian v Securities America, Inc., before FINRA Arbitration
 - Gordon B. McLendon, Jr. and Tri-State Theatres v Chapman Hext & Co., P.C. et al., before the 95th Judicial District Court, Dallas County Texas



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- West Texas National Bank v Shay Financial Services, before FINRA Arbitration
 - Sandra Webb, Lisa Keller and Melvin Sullivan v Jose A. Vasquez, UVEST Financial Services, Inc., et al., before FINRA Arbitration
 - Galyn Montgomery and James Montgomery v Jose A. Vasquez, et. al., before FINRA Arbitration
 - In Re: Palm Avenue Partners, LLC, Debtor, before the United States Bankruptcy Court, Middle District of Florida, Tampa Division
 - DBSI v. Goslin before FINRA Arbitration

Advisory Consulting and Governance Engagements

- Boston Capital Securities Corporation, Boston, MA, 2006 to 2009
- Realty Capital Securities Corporation, Boston, MA and New York City, NY 2008 to 2009
- Capital Value Advisors, Englewood, CO, 2009 to 2010
- Knott Capital Corporation, 2009 to 2010
- Public Company Management Corporation, 2005 to 2009
- Aspen Gold Development Corporation, Denver, CO, 2007 to present
- Mill Village Associates, LLC, Longmont CO, 2011 to present
- United Realty Corporation, Inc., New York City, New York, 2011 to Present

Boards and Non Profit Corporations

- Theta Beta Foundation, 2005 to Present
- Free Design, Inc., 2009 to 2015
- Municipal Authority, Tredyffrin Township 2012 to Present