

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT**

NO. 20130360270 - 01

TO: Department of Market Regulation
Financial Industry Regulatory Authority ("FINRA")

RE: IFS Securities, Respondent
Broker-Dealer
CRD No. 40375

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondent IFS Securities (the "firm") submits this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against the firm alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. The firm hereby accepts and consents, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

The firm has been a member of FINRA, and its predecessor NASD, since May 23, 1996, and its registration remains in effect.

RELEVANT DISCIPLINARY HISTORY

The firm has no relevant disciplinary history.

SUMMARY

In connection with FINRA Matter No. 20130360270, the Fixed Income Investigations Team of the Department of Market Regulation (the "staff") reviewed the firm's corporate bond transactions as part of a corporate bond fair pricing sweep during the period July 1, 2012 through September 30, 2012 (the "review period"), unless otherwise noted.

FACTS AND VIOLATIVE CONDUCT

In connection with FINRA Matter No. 20130360270, the staff found that:

During the review period, in nine transactions, the firm sold (or bought) corporate bonds to (or from) customers and failed to sell (or buy) such bonds at a price that was fair, taking into consideration all relevant circumstances, including market conditions with respect to each bond at the time of the transaction, the expense involved, and that the firm was entitled to a profit. The transactions are identified on Exhibit A, which is attached. The conduct described in this paragraph constitutes separate and distinct violations of FINRA Rule 2010 and NASD Rule 2440 and IM-2440-1 and IM-2440-2.

- B. The firm also consents to the imposition of the following sanctions:

A censure and a \$5,000 fine.¹

The firm agrees to pay the monetary sanction(s) upon notice that this AWC has been accepted and that such payment(s) are due and payable. It has submitted an Election of Payment form showing the method by which it proposes to pay the fine imposed.

The firm specifically and voluntarily waives any right to claim that it is unable to pay, now or at any time hereafter, the monetary sanction(s) imposed in this matter.

The sanctions imposed herein shall be effective on a date set by FINRA staff.

II.

WAIVER OF PROCEDURAL RIGHTS

The firm specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against the firm;
- B. To be notified of the Complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made, and to have a written decision issued; and

¹ No restitution payment is provided for in the AWC as the firm paid restitution to the affected customers.

- D. To appeal any such decision to the National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, the firm specifically and voluntarily waives any right to claim bias or prejudgment of the Chief Legal Officer, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

The firm further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

The firm understands that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against the firm; and
- C. If accepted:
 - 1. This AWC will become part of the firm's permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against the firm;
 - 2. This AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
 - 4. The firm may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. The firm may not take any position in any proceeding

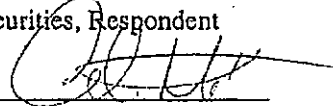
brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects the firm's: (a) testimonial obligations; or (b) right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

- D. The firm may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. The firm understands that it may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

The undersigned, on behalf of the firm, certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that it has agreed to the AWC's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce the firm to submit it.

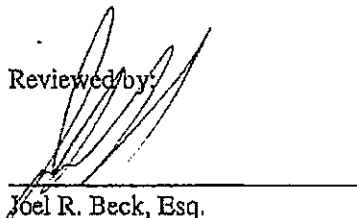
1/20/15
Date

IFS Securities, Respondent

By: 

Name: Alexis Udenzie

Title: President

Reviewed by: 

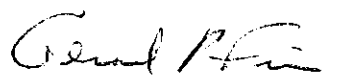
Joel R. Beck, Esq.
The Beck Law Firm, LLC
232 West Crogan Street, Suite C
P.O. Box 1266
Lawrenceville, GA 30046
Phone: 678.344.5342

Counsel for Respondent

Accepted by FINRA:

2/2/15
Date

Signed on behalf of the
Director of ODA, by delegated authority


Gerard P. Finn
Chief Counsel, Legal Section
Department of Market Regulation

IFS Securities ("AZAD")
FINRA Matter No. 20130360270
Exhibit A

Item	Date	Time	CUSIP	Company	Quantity	Contra Party	Time	Price	Buyer	Time	Price	Weighted Average Dealer Price	Markup Percentage
2	10/12/2012	10/12/2012	852061AD2	Sprint Nextel Corp	15,000	C (S)	15:50:00	101.25	AZAD	B-D (B)	15:43:00	105.25	3.8005%
3	10/15/2012	10/15/2012	48666KAN9	KB Home	25,000	C (S)	18:33:00	102.625	AZAD	B-D (B)	17:07:00	106.625	3.7515%
4	10/18/2012	10/18/2012	165167B55	Chesapeake Energy Corp	25,000	C (S)	16:30:00	103.125	AZAD	B-D (B)	15:38:00	107.125	3.734%
7	11/21/2012	11/21/2012	121207AA2	Burger King Corp	20,000	C (S)	18:09:00	111.20	AZAD	B-D (B)	13:08:00	114.70	3.0514%
8	11/21/2012	11/21/2012	121207AA2	Burger King Corp	15,000	C (S)	18:44:00	111.20	AZAD	B-D (B)	13:58:00	114.70	3.0514%
9	12/21/2012	12/21/2012	02076XAC6	Alpha Nat Res Inc	35,000	B-D (S)	12:49:44	92.50	AZAD	C (B)	17:22:00	96.50	4.3243%
11	10/22/2012	10/22/2012	912909AG3	United Sts Stl Corp	10,000	B-D (S)	13:18:17	100.37	AZAD	C (B)	16:00:00	104.625	4.0898%**
	10/22/2012	10/22/2012	912909AG3	United Sts Stl Corp	13,000	B-D (S)	13:20:39	100.625	AZAD	C (B)	16:00:00	104.625	4.0898%**
13a	12/21/2012	12/21/2012	001546AL4	AK Stl Corp	20,000	B-D (S)	11:11:33	88.39	AZAD	C (B)	17:24:00	92.00	4.084172%
13b	12/21/2012	12/21/2012	001546AL4	AK Stl Corp	20,000	B-D (S)	11:11:33	88.39	AZAD	C (B)	17:25:00	92.00	4.084172%

* Contra parties are identified as follows: B-D (S) indicate another Broker-Dealer selling to the firm; B-D (B) indicates another Broker-Dealer buying from the firm; C (S) indicates a customer selling to the firm; and C (B) indicates a customer buying from the firm.

** The weighted average of the 10 bond and 13 bond purchase prices was used to determine the Weighted Average Dealer Price. The Weighted Average Dealer Price was then used to calculate the markup percentage.