

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 87175 / September 30, 2019

ADMINISTRATIVE PROCEEDING
File No. 3-19220

In the Matter of

IFS Securities

Respondent.

**ORDER DIRECTING PAYMENT OF
CERTAIN FUNDS RECEIVED BY THE
COMMISSION AND DIRECTING THE
TRANSFER OF REMAINING FUNDS TO
TREASURY**

On June 27, 2019, the Commission simultaneously instituted and settled an administrative and cease and desist proceeding against IFS Securities (“IFS” or “Respondent”). These proceedings arise out of IFS’s violation of Municipal Securities Rulemaking Board’s Rule G-17 and, by reason of that violation, Section 15B(c)(1) of the Securities Exchange Act of 1934 (the “Exchange Act”). *In the Matter of IFS Securities*, Admin. Proc. File No. 3-19220 (the “OIP”).¹ In the OIP, the Commission ordered that IFS be censured and comply with certain undertakings. The Commission further ordered IFS to pay a civil penalty of \$50,000 to the Commission of which \$12,500 shall be transferred to the MSRB in accordance with Section 15B(c)(9)(A) of the Exchange Act, with such payment to be made within 10 days of the entry of the OIP and created a Fair Fund pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, as amended.

The Commission has received the civil penalty amount referenced above. The Commission staff shall, within 90 days of the issuance of this order, pay such funds (the “Fair Fund”) to the investor previously identified by Commission staff who suffered a net loss in connection with the violations described in the OIP (“Eligible Investor”). The Eligible Investor’s shall receive the amount of the civil penalty remaining after \$12,500 is transferred to the MSRB in accordance with Section 15B(c)(9)(A) of the Exchange Act (after accounting for taxes and administrative expenses associated with the distribution of these amounts). Commission staff will seek the appointment of a tax administrator for the Fair Fund as it constitutes a payment from a qualified settlement fund (“QSF”) under section of 468B(g) of the Internal Revenue Code (IRC), 26 U.S.C. Section 468B(g), and related regulations, 26 C.F.R Sections 1.468B-1 through 1.468B-5. Taxes, if any, and related administrative expenses shall be paid from funds remaining after the payment has been made to the Eligible Investor. After the distribution payments and all taxes and administrative expenses are paid, the Commission staff will transfer any remaining funds, if any, to the general fund of the United States Treasury subject to Exchange Act Section 21F(g)(3).

¹ See Order Instituting Administrative Proceedings Pursuant to Sections 15(b) and 15B(c) of the Securities Exchange Act of 1934, Making Findings, and Imposing Remedial Sanctions, Exchange Act Rel. No. 86210 (June 27, 2019).

Accordingly, it is ORDERED that:

- A. The Commission staff shall distribute the Fair Fund created in this matter and pay the Eligible Investor as set forth in this Order; and,
- B. After payment is made to the Eligible Investor, the Commission staff shall pay taxes, if any, and related administrative expenses from the funds remaining after payment to the Eligible Investor. Any remaining funds paid by the Respondent to the Commission shall be transferred to the U.S. Treasury.

By the Commission.

Vanessa A. Countryman
Secretary