FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS

DEPARTMENT OF ENFORCEMENT, Complainant, v. STEWART GINN (CRD No. 4503197), Respondent.	DISCIPLINARY PROCEEDING NO. 2021072167901 HEARING OFFICER–MJD **ORDER ACCEPTING OFFER OF SETTLEMENT** Date: August 29, 2024

INTRODUCTION

Disciplinary Proceeding No. 2021072167901 was filed on October 17, 2023, by the Department of Enforcement of the Financial Industry Regulatory Authority ("FINRA" or "Complainant"). Respondent Stewart Ginn submitted an Offer of Settlement ("Offer") to Complainant dated August 16, 2024. Pursuant to FINRA Rule 9270(e), the Complainant and the National Adjudicatory Council ("NAC"), a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA") have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to FINRA Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondent has consented, without admitting or denying the allegations of the Complaint (as amended by the Offer), 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, to the entry of findings and violations consistent with the allegations of the Complaint (as

amended by the Offer), and to the imposition of the sanctions set forth below, and fully understands that this Order will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA.

BACKGROUND

Ginn entered the securities industry in 2002.

Since 2015, Ginn has been registered as a General Securities Representative through an association with Independent Financial Group, LLC.

Because Ginn is currently registered with FINRA, he is subject to FINRA's jurisdiction.

FINDINGS AND CONCLUSIONS

It has been determined that the Offer be accepted and that findings be made as follows:

SUMMARY

Respondent Stewart Ginn, while registered through Independent Financial Group, LLC ("IFG"), excessively traded five customers' accounts between July 2020 and December 2022 (the "relevant period").

None of the five customers was an aggressive investor. Moreover, three of the customers were retired seniors. During the relevant period in which Ginn was excessively trading their accounts, one of the customers was in her late 80s and suffering from Alzheimer's disease; a second retired customer was in her late 70s; and a third retired customer was between 69 and 71 years old.

Ginn engaged in frequent in-and-out trades in the five customers' accounts, while charging high commissions on both buys and sells. Ginn's trading caused the five customers to incur realized losses of more than $2.22 million, while generating more than $2.24 million in commissions for Ginn and IFG.

Ginn routinely recommended that the customers buy large equities positions, which he often quickly sold, even when the price of the stocks had changed only minimally. Because of the high commissions Ginn charged—generally three percent on buy transactions and two percent on sell transactions—the customers routinely incurred losses on such trades.

Further, in at least four of the customers' accounts, Ginn improperly traded on discretion and, in addition, frequently engaged in buying and selling securities without obtaining customer authorization for each transaction.

Disregarding the cumulative impact of his excessive, high-cost trading, Ginn persisted in placing frequent trades in each of the customers' accounts throughout the relevant period, even as each account incurred substantial realized losses.

Ginn's trading resulted in annualized cost-to-equity ratios (or break-even points) of between 14 percent to 27 percent in the customers' accounts, making it unlikely they would realize a profit.

By excessively trading the accounts owned by four retail customers, Ginn willfully violated the Best Interest Obligation under Rule 15*l*-1(a) of the Exchange Act ("Regulation BI") and violated FINRA Rule 2010.

By excessively and unsuitably trading the accounts of the fifth customer, a profit sharing plan for a small dental practice, Ginn violated FINRA Rules 2111 and 2010.

By exercising discretion without written authorization in four of the five customers' accounts, Ginn violated FINRA Rules 3260 and 2010.

FACTS

In 2019, Ginn bought the book of business of a former IFG registered representative ("Representative A") after Representative A's sudden death in December 2018. Thereafter, Ginn

became the registered representative for Representative A's former customer accounts, including the five customers that are the subject of this Complaint.

Customers 1 through 4 are individual investors who are retail customers.

Customer 5, the profit sharing plan for a dental practice, is not a retail customer.

None of the five customers had experience with short-term stock trading or its costs, and none had an aggressive investment objective.

On the contrary, each of the five customers pursued a long-term buy-and-hold investment strategy in their accounts at IFG when Representative A was their registered representative.

Each of the four individual customers had a moderate risk tolerance, as reflected in their account documents at IFG. The fifth customer, the profit sharing plan, had a moderate risk tolerance for its first account at IFG and, after that account was closed in mid-2022, had a risk tolerance of "moderately high" for its second account at IFG.

During the relevant period, Ginn dramatically increased the frequency of trades in the customers' accounts, including placing frequent in-and-out trades in each account.

Ginn solicited all or nearly all of the transactions in each customer's account.

Each customer relied on Ginn to direct the trading in their accounts and consistently followed Ginn's recommendations. On those occasions when Ginn in fact obtained authorization from the customers to buy or sell securities prior to Ginn executing these trades, the customers routinely accepted Ginn's recommendations as to what securities to buy or sell, when to buy or sell, how frequently to buy and sell securities, and the quantity to buy or sell.

In numerous other instances, Ginn exercised discretion and bought and sold securities in the accounts of Customers 1 through 4 without first obtaining the customer's authorization for the trade.

IFG's written supervisory procedures ("WSPs") did not permit Ginn to exercise discretion to trade in any customer's account.

Ginn did not have written authorization from Customers 1 through 4 to exercise discretion in their accounts.

Prior to executing each trade in the customers' accounts, Ginn determined and manually entered the commission amount that he charged to the customer on each trade.

From July 2020 through December 2022, Ginn generally charged the customers a three percent commission on each purchase and a two percent commission on each sale.

Ginn did not explain to the five customers the total commission amounts that he would be charging for any trade, nor did he ever discuss the cumulative commissions he had charged or how trading costs had impacted the five customers' account values.

When making recommendations (or when exercising discretion) regarding what securities to buy and sell, how frequently to buy and sell securities, and what commissions to charge in each of the five customer's accounts, Ginn disregarded trading costs, the effects of the cumulative trading costs resulting from his commissions, and how commissions were affecting the value of customers' accounts.

Ginn's trading in these accounts between July 2020 and December 2022 caused the customers to suffer realized losses of more than $2.22 million. During that same period, Ginn's trading caused the customers to pay commissions of more than $2.24 million.

Ginn received 93% of the commissions charged in these five accounts.

A. Ginn Excessively Traded Customer 1's Account.

As of October 17, 2023, Customer 1 was a 79-year-old retiree.

Customer 1 first opened an IRA account with IFG in 2015 for which Representative A was the registered representative.

Between January 2017 and his death in December 2018, Representative A recommended and executed fewer than three trades per month in Customer 1's account.

In July 2019, Ginn became the registered representative for Customer 1's IRA account at IFG.

In October 2019, Customer 1 completed an IFG account update form for her account, indicating her investment objective of "capital preservation" and "moderate" risk tolerance.

Between July 2020 and December 2022, Ginn recommended and effected 259 trades in Customer 1's account, which resulted in approximately $556,000 in realized losses.

Between July 2020 and December 2022, Ginn's trading activity in Customer 1's account resulted in Customer 1 paying trading costs exceeding $494,000, including commissions of nearly $494,000.

The cost-to-equity ratio measures the amount an account has to appreciate just to cover commissions and other expenses. In other words, it is the break-even point where a customer may begin to see a return.

Between July 2020 and December 2022, despite the fact that Customer 1 was in her late 70s and had capital preservation as her investment objective, Ginn's trading activity in Customer 1's account resulted in an annualized cost-to-equity ratio of approximately 20.3 percent.

Ginn did not discuss with Customer 1 the costs of his frequent trading in her account.

On many occasions, Ginn recommended that Customer 1 sell a position (or, exercising discretion, Ginn sold a position in Customer 1's account) shortly after purchasing it, even though purchasing the position had caused the customer to pay a substantial commission.

On February 3, 2021, for example, Ginn purchased 11,000 shares of a technology company at $10.65 per share in Customer 1's account, only to sell that position two days later at a substantial loss for $8.46 per share. This roundtrip transaction generated $5,374 in commissions. Two months later, on April 9, 2021, Ginn purchased 2,000 shares of the same company at $13.34 per share.

Ginn frequently engaged in such in-and-out trading when there had been effectively no change in the share price. On March 9, 2021, for example, Ginn purchased 6,000 shares of a media company at $25.49 per share in Customer 1's account, only to sell that position 16 days later at $25.46 per share. This round-trip transaction generated $7,643 in commissions, which caused the customer to realize a loss of $7,810 even though the price of the security only minimally decreased.

B. Ginn Excessively Traded Customer 2's Account.

Customer 2 was an 88-year-old retiree when she died in February 2022.

Customer 2 first opened a trust account with IFG in 2015 while working with Representative A.

In or around 2016, Customer 2 was diagnosed with Alzheimer's disease.

Between January 2017 and December 2018, Representative A recommended and executed fewer than two trades per month in Customer 2's trust account.

In July 2019, Ginn became the registered representative for Customer 2's trust account at IFG.

Since at least September 2019, Customer 2's sister acted as the trustee and authorized customer contact on behalf of Customer 2 ("Customer 2's Authorized Contact Person").

In September 2019, Customer 2's Authorized Contact Person completed an IFG account update form for Customer 2's account, indicating an investment objective of "growth & income" and "moderate" risk tolerance.

Between July 2020 and December 2022, Ginn recommended and effected 275 trades in Customer 2's trust account, which resulted in approximately $570,000 in realized losses.

Between July 2020 and December 2022, Ginn's trading activity in Customer 2's trust account resulted in Customer 2 paying trading costs of approximately $653,000, including commissions of approximately $652,000.

Between July 2020 and December 2022, and despite the fact that Customer 2 was in her late 80s and had a moderate risk tolerance, Ginn's trading activity in Customer 2's trust account resulted in an annualized cost-to-equity ratio of approximately 23.4 percent.

Ginn did not discuss with Customer 2 or her Authorized Contact the costs caused by Ginn's trading in Customer 2's trust account.

On many occasions, Ginn recommended that Customer 2 sell a position (or, exercising discretion, Ginn sold a position in Customer 2's account) shortly after purchasing it, even though purchasing the position had caused the customer to pay a substantial commission. Ginn frequently engaged in such in-and-out trading when there had been effectively no change in the share price, even though the round-trip transaction caused the customer to pay a substantial commission on both the buy and sell positions.

On January 26, 2021, for example, Ginn purchased 20,000 shares of a telecommunications company at $4.80 per share in Customer 2's trust account, only to sell that position nine days later on February 4, 2021, at $4.36 per share. This round-trip transaction resulted in a loss to Customer 2 of $13,383, but generated $4,625 in commissions.

Three months later, on May 20, 2021, Ginn purchased 20,000 shares of the same telecommunications company in Customer 2's trust account at $5.11 per share, only to sell that position on June 18, 2021 at $5.13 per share. This round-trip transaction resulted in a loss of $4,718 for Customer 2, but generated $5,118 in commissions.

On September 16, 2020, Ginn purchased 1,000 shares of a technology company at $68.17 per share in Customer 2's trust account, only to sell that position 14 days later on September 30, 2020 at $67.69 per share. This round-trip transaction resulted in a loss to Customer 2 of $3,895 but generated $3,398 in commissions.

Eight days later, on October 8, 2020, Ginn purchased 1,440 shares of the same company in Customer 2's trust account at $68.97 per share, only to sell that position on October 27, 2020 at $63.85 per share. This round-trip transaction resulted in a loss to Customer 2 of $12,202, but generated $4,818 in commissions.

On January 20, 2021, Ginn purchased 2,900 shares of the same company in Customer 2's trust account at $77.07 per share, only to sell that position seven days later on January 27, 2021 at $74.49 per share. This round-trip transaction resulted in a loss to Customer 2 of $18,499, but generated $11,025 in commissions.

C. Ginn Excessively Traded Customer 3's Account.

As of October 17, 2023, Customer 3 was a 61-year-old civil engineer.

Customer 3 first opened an account with IFG in 2015 while working with Representative A.

Between January 2017 and December 2018, Representative A recommended and executed fewer than two trades per month in Customer 3's account.

In March 2019, Customer 3 completed an IFG account update form for his account, indicating his investment objective of "income" and "moderate" risk tolerance.

In July 2019, Ginn became the registered representative for Customer 3's IRA account at IFG.

Between July 2020 and December 2022, Ginn recommended and effected 170 trades in Customer 3's account, which resulted in approximately $147,000 in realized losses.

Between July 2020 and December 2022, Ginn's trading activity in Customer 3's account resulted in Customer 3 incurring total trading costs of approximately $189,000, nearly all of which was commissions.

Between July 2020 and December 2022, Ginn's trading activity in Customer 3's account resulted in an annualized cost-to-equity ratio of approximately 20.3 percent.

Ginn did not discuss with Customer 3 the costs caused by Ginn's trading in Customer 3's account.

On many occasions, Ginn recommended that Customer 3 sell a position (or, exercising discretion, Ginn sold a position in Customer 3's account) shortly after purchasing it, even though purchasing the position had caused the customer to pay a substantial commission. Ginn frequently engaged in such in-and-out trading when there had been effectively no change in the share price, even though the round-trip transaction caused the customer to pay a substantial commission on both the buy and sell positions.

On May 20, 2021, for example, Ginn purchased, in Customer 3's account, 14,000 shares of a telecommunications company at $5.10 per share, only to sell that position on June 17, 2021 at $5.20 per share. This round-trip transaction resulted in a loss of $2,181 for Customer 3, but generated $3,597 in commissions.

On October 14, 2020, Ginn purchased, in Customer 3's account, 200 shares of a technology company at $70.52 per share, only to sell that position 13 days later at $63.62 per share. This round-trip transaction resulted in a loss of $2,196 for Customer 3, but generated $804 in commissions.

On January 7, 2021, Ginn purchased 850 shares of the same company at $75.97 per share, only to sell that position six days later at $70.51 per share. This round-trip transaction resulted in a loss of $7,788 for Customer 3, but generated $3,135 in commissions.

D. Ginn Excessively Traded Customer 4's Account.

As of October 17, 2023, Customer 4 was a 72-year-old retired police officer.

Customer 4 first opened an IRA account with IFG in 2015 while working with Representative A.

Between January 2017 and December 2018, Representative A recommended and executed fewer than two trades per month in Customer 4's account.

In August 2019, Customer 4 completed an IFG account update form for his account, indicating his investment objective of "capital appreciation" and "moderate" risk tolerance.

Since July 2019, Ginn has acted as the registered representative for Customer 4's IRA account at IFG.

Between July 2020 and December 2022, Ginn recommended and effected 113 trades in Customer 4's account, which resulted in approximately $117,000 in realized losses.

Between July 2020 and December 2022, Ginn's trading activity in Customer 4's account resulted in Customer 4 incurring total trading costs of approximately $115,000, nearly all of which was commissions.

Between July 2020 and December 2022, Ginn's trading activity in Customer 4's account resulted in an annualized cost-to-equity ratio of approximately 13.7 percent.

Ginn did not discuss with Customer 4 the costs caused by Ginn's trading in Customer 4's account.

On many occasions, Ginn recommended that Customer 4 sell a position (or, exercising discretion, sold a position in Customer 4's account) shortly after purchasing it, even though purchasing the position had caused the customer to pay a substantial commission. Ginn frequently engaged in such in-and-out trading when there had been effectively no change in the share price, even though the round-trip transaction caused the customer to pay a substantial commission on both the buy and sell positions.

On May 20, 2021, for example, Ginn purchased, in Customer 4's account, 15,000 shares of a telecommunications company at $5.10 per share, only to sell that position 28 days later on June 17, 2021 at $5.15 per share. This round-trip transaction resulted in a loss of $3,078 for Customer 4, but generated $3,840 in commissions.

On February 9, 2021, Ginn purchased 700 shares of an internet domain company at $90.95 per share, only to sell that position three days later on February 12, 2021 at $85.80 per share. This round-trip transaction resulted in a loss of $6,725, but generated $3,111 in commissions. On February 12, 2021, Ginn then purchased 4,500 shares of a telecommunications company at $15.32 per share, only to sell that position ten days later on February 22, 2021 at $13.08 per share. This round-trip transaction resulted in a loss of $13,315, but generated commissions of $3,244.

E. Ginn Excessively Traded Customer 5's Accounts.

Customer 5 is a profit sharing plan for a small dental practice.

Customer 5 first opened an account with IFG in 2015, for which Representative A was the representative of record.

Between January 2017 and December 2018, Representative A recommended and executed fewer than three trades per month in Customer 5's account.

Beginning as early as April 2019, the two authorized contact persons for Customer 5 were: (1) the dentist who ran the dental practice for which Customer 5 was the profit sharing plan ("Customer 5's Authorized Contact Person A") and (2) the dentist's mother ("Customer 5's Authorized Contact Person B"), who died in December 2022 at approximately 88 years old.

In April 2019, Customer 5, acting through Customer 5's Authorized Contact Person A, completed an IFG account update form for the account, indicating an investment objective of "capital appreciation" and a "moderate" risk tolerance. Customer 5's investment objective for was capital appreciation. Customer 5's risk tolerance was moderate.

In July 2019, Ginn became the registered representative for Customer 5's account at IFG.

In July 2022, Customer 5 closed its then-existing account at IFG and opened a new account. Customer 5, acting through Customer 5's Authorized Contact Person A, completed an IFG account application for its new IFG customer account, which stated that Customer 5 had an investment objective of "growth" and a "moderately high" risk tolerance. Customer 5's investment objective for its new account was growth, and Customer 5's risk tolerance for this account was moderately high.

Between July 2020 and December 2022, Ginn recommended and effected 351 trades in Customer 5's accounts, which resulted in approximately $830,000 in realized losses.

Between July 2020 and December 2022, Ginn's trading activity in Customer 5's accounts resulted in Customer 5 incurring total trading costs exceeding $790,000, including commissions of approximately $788,000.

Between July 2020 and December 2022, Ginn's trading activity in Customer 5's accounts resulted in an annualized cost-to-equity ratio of approximately 27.1 percent.

Ginn did not discuss with Customer 5 the costs caused by Ginn's trading in Customer 5's accounts.

On many occasions, Ginn recommended that Customer 5 sell a position shortly after purchasing it, even though purchasing the position had caused the customer to pay a substantial commission. Ginn frequently engaged in such in-and-out trading when there had been effectively no change in the share price, even though the round-trip transaction caused the customer to pay a substantial commission on both the buy and sell positions.

On March 12, 2021, for example, Ginn purchased, in Customer 5's account, 9,000 shares of a technology company at $10.65 per share, only to sell that position thirteen days later at $11.04 per share. Even though the price of the security increased, this round-trip transaction resulted in a loss of $1,400 for Customer 5, but generated $4,864 in commissions.

On January 13, 2021, Ginn purchased, in Customer 5's account, 6,000 shares of an automobile manufacturing company at $16.38 per share, only to sell that position six days later at $14.97 per share. This round-trip transaction resulted in a loss of $13,245 for Customer 5, but generated $4,745 in commissions.

Six days later, on January 25, 2021, Ginn purchased 7,500 shares of the same company at $15.40 per share, only to sell that position 15 days later at $14.76 per share. This round-trip transaction resulted in a loss of $10,440, but generated $5,679 in commissions.

FIRST CAUSE OF ACTION
Excessive Trading
(Willful Violations of Exchange Act Rule 15*l*-1 Regulation Best Interest and Violations of FINRA Rule 2010)

Since June 30, 2020, broker-dealers and their associated persons have been required to comply with Regulation BI under the Exchange Act. Regulation BI's Best Interest Obligation requires a broker, dealer, or a natural person associated with a broker or dealer, when making a recommendation of any securities transaction or investment strategy involving securities (including account recommendations) to a retail customer, to act in the best interest of that retail customer at the time the recommendation is made, without placing the financial or other interest of the broker, dealer, or associated person making the recommendation ahead of the interest of the retail customer.

Regulation BI defines a retail customer as "a natural person, or the legal representative of such person, who: (i) Receives a recommendation of any securities transaction or investment strategy involving securities from a broker or dealer; and (ii) Uses the recommendation primarily for person, family, or household purposes."

A registered representative who conducts a trade on behalf of a customer without the customer's explicit authorization implicitly recommends the trade for that customer.

For an associated person, the Best Interest Obligation is satisfied by compliance with two obligations: (1) the Disclosure Obligation; and (2) the Care Obligation.

Pursuant to Exchange Act Rule 15*l*-1(a)(2)(ii)(C), one of the three components of Regulation BI's Care Obligation, an associated person of a broker or dealer is required to exercise reasonable diligence, care, and skill to: "[h]ave a reasonable basis to believe that a series of recommended transactions, even if in the retail customer's best interest when viewed in isolation, is not excessive and is in the retail customer's best interest when taken together in light

of the retail customer's investment profile and does not place the financial or other interest of the broker, dealer, or such natural person making the series of recommendations ahead of the interest of the retail customer."

The Care Obligation applies to a series of recommended transactions regardless of whether the broker-dealer or associated person exercises control over the customer's account.

A violation of Regulation BI also constitutes a violation of FINRA Rule 2010, which requires FINRA member firms and associated persons to "observe high standards of commercial honor and just and equitable principles of trade" in the conduct of their business.

From July 2020 through December 2022, Ginn (a) made a series of recommendations to Customers 1 through 4 without exercising reasonable diligence, care, and skill to have a reasonable basis to believe that the series of recommended transactions were in the best interests of those customers based on the customers' investment profile and the potential risks, rewards, and costs associated with the recommendations and (b) failed to exercise reasonable diligence, care, and skill to understand the risks, rewards, and costs associated with his short-term, high-cost trading strategy.

Ginn's trading in these four customers' accounts was excessive for each of the customers based on their investment profiles, including Customer 1's, 2's, and 4's ages, as evidenced by the high cost-to-equity ratios, the frequency of the transactions, and the transaction costs incurred.

At the time Ginn recommended the trades to Customers 1 through 4—all of whom were retail investors—Ginn failed to consider the commission charges when deciding what securities to buy and sell, how frequently to buy and sell securities, and what commissions to charge. Ginn also failed to consider the effects of the cumulative trading costs and how those commissions affected the value of each customer's account.

The series of recommendations that Ginn made to Customers 1 through 4 was excessive and was not in those customers' best interests and, when making that series of recommendations, Ginn placed his interests ahead of the interests of those customers.

Ginn's failure to comply with Regulation Best Interest's Care Obligation constitutes a violation of Regulation Best Interest's General Obligation.

As a result of the foregoing conduct, Ginn willfully violated Exchange Act Rule 15*l*-1(a)(1) and violated FINRA Rule 2010.

SECOND CAUSE OF ACTION
Excessive Trading/Quantitative Suitability
(Violations of FINRA Rules 2111 and 2010)

FINRA Rule 2111(a) requires an associated person to:

> "have a reasonable basis to believe that a recommended transaction or investment strategy involving a security or securities is suitable for the customer, based on the information obtained through the reasonable diligence of the member or associated person to ascertain the customer's investment profile. A customer's investment profile includes, but is not limited to, the customer's age, other investments, financial situation and needs, tax status, investment objectives, investment experience, investment time horizon, liquidity needs, risk tolerance, and any other information the customer may disclose to the member or associated person in connection with such recommendation."

FINRA Rule 2111, Supplementary Material .05(c), provides as follows:

> Quantitative suitability requires a member or associated person to have a reasonable basis for believing that a series of recommended transactions, even if suitable when viewed in isolation, are not excessive and unsuitable for the customer when taken together in light of the customer's investment profile, as delineated in Rule 2111(a). No single test defines excessive activity, but factors such as the turnover rate, the cost-equity ratio, and the use of in-and-out trading in a customer's account may provide a basis for a finding that a member or associated person has violated the quantitative suitability obligation.

A violation of FINRA Rule 2111 also is a violation of FINRA Rule 2010.

Ginn's trading in Customer 5's accounts was excessive and quantitatively unsuitable for Customer 5 based on its investment profile, as evidenced by the high cost-to-equity ratios, the frequency of the transactions, and the transaction costs incurred.

Ginn recommended a series of transactions to Customer 5 that was excessive and quantitatively unsuitable in light of Customer 5's investment profile.

As a result of the foregoing conduct, Ginn violated FINRA Rules 2111 and 2010.

THIRD CAUSE OF ACTION
Unauthorized Use of Discretion
(Violations of FINRA Rules 3260 and 2010)

FINRA Rule 3260(b) prohibits a broker from using discretion in a customer's account without prior written authorization:

> No member or registered representative shall exercise any discretionary power in a customer's account unless such customer has given prior written authorization to a stated individual or individuals and the account has been accepted by the member, as evidenced in writing by the member or the partner, officer or manager, duly designated by the member, in accordance with Rule 3110.

A violation of FINRA Rule 3260 is also a violation of FINRA Rule 2010.

IFG's WSPs did not permit Ginn to exercise discretionary power in any customer's account.

Ginn did not have prior written authorization to exercise discretionary power in the accounts of Customers 1 through 4.

Ginn was responsible for entering the trades in the accounts of Customers 1 through 4 and for obtaining these customers' authorization for trading activity.

Ginn entered hundreds of trades in the accounts of Customers 1 through 4 without obtaining prior authorization from these customers.

As a result of the foregoing conduct, Ginn violated FINRA Rule 3260 and FINRA Rule 2010.

Based on the foregoing, Respondent willfully violated Exchange Act Rule 15*l*-1(a)(1) and violated FINRA Rules 2010, 2111, and 3260.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondent from any future misconduct, and represent a proper discharge by FINRA, of its regulatory responsibility under the Securities Exchange Act of 1934.

SANCTIONS

It is ordered that Respondent be sanctioned as follows:

- An eighteen (18) month suspension from association with any FINRA member firm in any capacity;
- A fine of $50,000;
- Restitution in the amount of $115,000 plus interest.

Respondent agrees to pay the monetary sanctions upon notice that the Offer has been accepted and that such payment is due and payable. Respondent has submitted an Election of Payment form showing the method by which he proposes to pay the fine imposed.

Restitution is ordered to be paid to the customer listed on Attachment A to this Order ("Eligible Customer") in the total amount of $115,000, plus interest at the rate set forth in Section 6621(a)(2) of the Internal Revenue Code, 26 U.S.C. § 6621(a)(2), from December 31, 2022 until the date this Offer is accepted by the National Adjudicatory Council (NAC).

Respondent shall submit satisfactory proof of payment of restitution and interest (separately specifying the date and amount of each paid to each Eligible Customer) or of

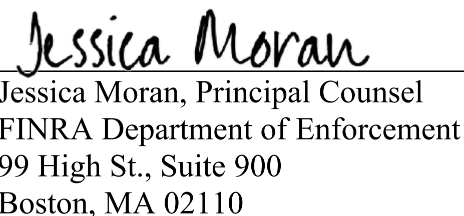
reasonable and documented efforts undertaken to effect restitution. Such proof shall be submitted by Respondent by email to EnforcementNotice@FINRA.org. The email must identify Respondent and the case number and include a copy of the check, money order, or other method of payment. This proof shall be provided by email to EnforcementNotice@FINRA.org no later than 120 days after the date of the notice of acceptance of the Offer.

The restitution amount plus interest to be paid to each Eligible Customer shall be treated by the Respondent as the Eligible Customer's property for purposes of state escheatment, unclaimed property, abandoned property, and similar laws. If after reasonable and documented efforts undertaken to effect restitution Respondent is unable to pay all Eligible Customers within 120 days after the date of the notice of acceptance of the Offer, Respondent shall submit to FINRA in the manner described above a list of the unpaid Eligible Customers and a description of Respondent's plan, not unacceptable to FINRA, to comply with the applicable escheatment, unclaimed property, abandoned property, or similar laws for each such Eligible Customer.

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

SO ORDERED.

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



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ATTACHMENT A

RESTITUTION SCHEDULE

Customer	Restitution Amount
Customer 4	$115,000 plus interest