

**UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

UNITED STATES SECURITIES AND EXCHANGE COMMISSION,	)	
	)	
<b>Plaintiff,</b>	)	<b>Case No. 21-cv-5168</b>
<b>v.</b>	)	<b>Jury Trial Demanded</b>
	)	
KEITH A. WAKEFIELD,	)	
	)	
<b>Defendant.</b>	)	

**COMPLAINT**

Plaintiff United States Securities and Exchange Commission (“SEC”), for its Complaint against Defendant Keith A. Wakefield (“Wakefield”), alleges as follows:

**SUMMARY**

1. This case concerns a fraudulent scheme involving trading in fixed income securities perpetrated by Defendant Wakefield, a managing director and head of fixed income trading at IFS Securities, Inc. (“IFS”), a former registered broker-dealer.

2. From June 2019 through August 2019, Wakefield engaged in unauthorized speculative trading in U.S. Treasury securities (“Treasuries”) on behalf of IFS and incurred millions of dollars in losses. Wakefield engaged in a variety of fraudulent practices to create the appearance of legitimate trading profits in order to disguise his unauthorized trading losses, including falsifying IFS’s books and records.

3. From January 2017 through August 2019, Wakefield also fraudulently obtained approximately \$820,000 in commission payouts from IFS based on fictitious customer commissions that he fabricated and recorded on IFS’s books and records.

4. Wakefield's unauthorized trading and receipt of fictitious commission income came to an end in August 2019 when IFS was unable to honor millions of dollars in unauthorized Treasury trades executed by Wakefield with more than one dozen counter-parties. The counter-parties lost over \$24 million unwinding the trades that Wakefield surreptitiously executed, an amount well in excess of IFS's net capital. As a result, IFS was forced to close its business, withdraw its registration as a broker-dealer, and file for bankruptcy.

### **VIOLATIONS**

5. By virtue of the foregoing conduct and as alleged further herein, Defendant Wakefield, directly or indirectly, violated and is otherwise liable for violations of the federal securities laws, as follows:

a. Sections 17(a)(1), (2), and (3) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. §§ 77q(a)(1), (2) and (3)];

b. Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rules 10b-5(a), (b), and (c) thereunder [17 C.F.R. §§ 240.10b-5(a), (b) and (c)]; and

c. Aided and abetted violations of Sections 15(c)(3) and 17(a)(1) of the Exchange Act [15 U.S.C. §§ 78o(c)(3) and 78q(a)(1)] and Rules 15c3-1 and 17a-3 thereunder [17 C.F.R. §§ 240.15c3-1 and 240.17a-3], in violation of Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)].

6. Unless Wakefield is restrained and enjoined, he will engage in the acts, practices, transactions, and courses of business set forth in this Complaint or in acts, practices, transactions, and courses of business of similar type and object.

**NATURE OF THE PROCEEDINGS AND RELIEF SOUGHT**

7. The SEC brings this action pursuant to the authority conferred upon it by Sections 20(b) and 20(d) of the Securities Act [15 U.S.C. §§ 77t(b) and 77t(d)] and Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)].

8. The Commission seeks a final judgment: (a) permanently enjoining Wakefield from violating the federal securities laws and rules this Complaint alleges he has violated; (b) ordering Wakefield to disgorge all ill-gotten gains he received as a result of the violations alleged here and to pay prejudgment interest thereon, pursuant to Section 20(d)(5) of the Exchange Act [15 U.S.C. § 78u(d)(5)] and Sections 6501(a)(1) and (a)(3) of the National Defense Authorization Act for Fiscal Year 2021, Pub. L. No. 116-283, to be codified at 15 U.S.C. §§ 78u(d)(3) and 78u(d)(7); (c) ordering Wakefield to pay civil money penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)]; and (d) ordering any other and further relief this Court may deem just and proper.

**JURISDICTION AND VENUE**

9. This Court has jurisdiction over this action pursuant to Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)] and Section 27 of the Exchange Act [15 U.S.C. § 78aa].

10. Wakefield, directly and indirectly, has made use of the means or instrumentalities of interstate commerce or of the mails in connection with the transactions, acts, practices, and courses of business alleged herein.

11. Venue lies in this District under Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)] and Section 27 of the Exchange Act [15 U.S.C. § 78aa]. Wakefield may be found in, is an inhabitant of, or transacts business in the Northern District of Illinois, and certain of the acts,

practices, transactions, and courses of business alleged in this Complaint occurred within the Northern District of Illinois. In addition, venue is proper in this District because Wakefield resides in this District.

### **DEFENDANT**

12. **Wakefield**, age 48, resides in Chicago, Illinois. Wakefield was a registered representative and managing director at IFS from June 2011 until he was terminated on August 8, 2019. Wakefield held Series 7, 53, 63, and SIE licenses. On September 25, 2019, the Financial Industry Regulatory Authority (“FINRA”) permanently barred Wakefield for refusing to appear for on-the-record testimony.

### **OTHER RELEVANT ENTITIES**

13. **IFS** was a Pennsylvania corporation and had its principal place of business in Atlanta, Georgia. IFS was a registered broker-dealer from May 1996 until February 28, 2020, when IFS’s withdrawal of its registration on Form BDW became effective. IFS filed for bankruptcy on April 24, 2020.

14. **Broker-Dealer 1** is a Florida corporation and a broker-dealer registered with the Commission since March 1999. Broker-Dealer 1 was a clearing broker for IFS.

15. **Broker-Dealer 2** is a Florida corporation and a broker-dealer registered with the Commission since August 1962. Broker-Dealer 2 was a clearing broker for IFS.

### **FACTS**

#### **I. WAKEFIELD’S TRADING AUTHORITY**

16. During the eight years preceding the collapse of IFS, Wakefield was one of IFS’s most trusted senior employees. He served as the firm’s head of fixed income securities and reported directly to IFS’s CEO.

17. Beginning in approximately 2013, IFS authorized Wakefield to engage in limited speculation of Treasuries with IFS's proprietary funds. Although Wakefield's trading in Treasuries was initially profitable, in or about late 2013 or early 2014, Wakefield incurred a loss of \$215,000 for IFS. As a result, IFS restricted Wakefield from engaging in any further speculative trading of Treasuries.

18. Wakefield also signed a promissory note on February 14, 2014, obligating him to repay the \$215,000 to IFS, plus 7% annual interest compounded monthly. IFS deducted the \$215,000 debt from Wakefield's compensation until the full amount was repaid.

19. From February 2014 onward, Wakefield's authority to trade Treasuries was limited to riskless principal transactions associated with facilitating customer trades and a limited amount of proprietary hedging of IFS's municipal bond inventory held at risk.

20. A "riskless principal buy trade" is one in which a party, after having received an order from a customer to buy a security, purchases the security from a counter-party into its principal account and contemporaneously sells it to the customer out of its principal account at the same base (or gross) price in order to satisfy the order to buy. On riskless principal buy trades where remuneration may be appropriately charged to customers, the price to the customer may be increased from the base or buy price from the counter-party. This form of remuneration is known as a "mark-up," but was referenced in IFS's books and records as a "commission."

21. A "riskless principal sell trade" is one in which a party, after having received an order from a customer to sell a security, sells the security to a counter-party from its principal account and contemporaneously buys it from the customer into its principal account at the same base (or gross) price in order to satisfy the order to sell. On riskless principal sell trades where remuneration may be appropriately charged to customers, the price that the customer receives

may be decreased from the base or sell price to the counter-party. This form of remuneration is known as a “mark-down,” but was referenced in IFS’s books and records as a “commission.”

22. With regard to hedging, IFS allowed Wakefield to short Treasuries in an amount up to the firm’s principal account exposure to municipal bonds. Shorting Treasuries is accomplished by borrowing the Treasuries then selling the borrowed Treasuries in the market. Short Treasury positions are subsequently closed out by buying the same amount of the shorted Treasuries in the market.

23. IFS only permitted Wakefield to short Treasuries to hedge or insulate IFS from the interest rate risk inherent in its municipal bond positions held at risk. If Treasury yields went up, then Treasury prices went down, and the Treasury shorts made money. If Treasury yields went up, the municipal bonds held at risk would, if effectively hedged by the Treasury shorts, lose the same amount of money earned on the Treasury shorts – and vice versa when Treasury yields went down and prices went up. Wakefield’s hedging was therefore intended only to insulate IFS from interest rate risk.

## **II. WAKEFIELD’S UNAUTHORIZED SPECULATION OF TREASURIES**

### **A. Wakefield’s Fraudulent Trading Practices**

24. From June 2019 through August 2019, Wakefield engaged in unauthorized speculative trading in Treasuries on behalf of IFS and incurred millions of dollars in losses. Wakefield engaged in a variety of fraudulent practices to create the appearance of fictitious trading profits and to disguise his unauthorized trading losses, including falsifying IFS’s books and records.

25. In early June 2019, Wakefield incurred a trading loss of approximately \$50,000 for IFS in a single day from speculatively shorting Treasuries.

26. Wakefield expected that interest rates would rise, and that this would cause bond prices to fall (bond prices move inversely to interest rate moves). Wakefield then shorted Treasuries, planning to subsequently cover his short position by buying the Treasuries at a lower price after interest rates rose, thereby earning a profit.

27. Wakefield, however, forgot to cover or close-out his short position before the Treasury market closed. When the market reopened the next day, the price of Treasuries had spiked upward.

28. Rather than disclose the loss to IFS, and admit that he had been engaged in unauthorized speculative trading, beginning in mid-June 2019, Wakefield began executing trades to take increasingly larger proprietary short bets on Treasuries in an attempt to recoup the increasingly larger amounts of losses that he had been accruing. These short positions were much larger than what would have been necessary to hedge the interest rate risk on IFS's proprietary municipal bond holdings.

29. Wakefield also engaged in a variety of fraudulent practices to disguise his trading losses by creating the appearance of fictitious trading profits which served to offset these trading losses. In order to do so, Wakefield placed a series of offsetting legitimate and fake trades using IFS proprietary and customer accounts that were cleared through IFS's two separate broker-dealer clearing firms, Broker-Dealer 1 and Broker-Dealer 2.

30. As clearing brokers, the chief functions of Broker-Dealer 1 and Broker-Dealer 2 were to receive trade instructions from IFS, match those instructions with counter-parties, and to move cash and securities between and among IFS, its customers and its counterparties accordingly. Broker-Dealer 1 cleared trades for a large number of IFS accounts, including IFS

proprietary accounts, while Broker-Dealer 2 cleared trades for a much smaller number of other IFS customer accounts.

31. Wakefield executed actual short Treasury trades in an IFS proprietary account with actual counter-parties and cleared them through Broker-Dealer 1. Contemporaneously, Wakefield entered fake offsetting sell trades into Broker-Dealer 1's order management systems for the same IFS proprietary account for which the purported counter-party was an IFS customer account at Broker-Dealer 2. The legitimate trade and fake trade, viewed together, created the false impression that IFS was facilitating a customer's order to sell and not entering into a proprietary trade.

32. Wakefield used Broker-Dealer 2 to facilitate this scheme. To ensure that the fake customer trade would not be discovered by Broker-Dealer 1, Wakefield used an IFS customer omnibus account, an account which included the trades of more than one customer of IFS, for which Broker-Dealer 2 was the clearing broker, to serve as the "customer" account for the offset to the IFS proprietary account trade. However, Broker-Dealer 2 was given no instructions for this fake trade.

33. Wakefield's fake offsetting trades matched the critical terms of the Treasury shorts in every aspect (except price) – the same trade date, CUSIP, and par (the amount of Treasuries). However, Wakefield set the fake customer sell trade prices at levels well below the then-current market prices of the Treasuries, creating fake, temporary principal account profits.

34. At or near the time of the settlement date of the actual short at-risk Treasury trades, Wakefield executed actual purchases of Treasuries through IFS's proprietary account to actually cover his short sale trades, sometimes at a profit and sometimes at a loss.



35. However, to avoid detection, Wakefield still had to address the fake sell trade that could not be executed and was failing because Broker-Dealer 2 had no matching customer trade instructions. Cancelling the fake customer trade outright would have aroused suspicion. Therefore, upon closing out the actual short Treasury position in the market, Wakefield reported to Broker-Dealer 1 yet another fake offsetting Treasury trade for which the purported counter-party was the IFS customer omnibus account, this one exactly matching the critical terms of the first fake trade (the new fake trade was purportedly a customer buy and the old fake trade was purportedly a customer sell). This new fake customer buy trade served two purposes. First, it created the false impression that a different customer was buying the Treasury and avoided the appearance of any unauthorized speculative proprietary trading. And it also served to close out the failing fake customer sell trade.

36. Since the purported counter-party to the new fake customer buy trade was the IFS customer omnibus account that cleared through Broker-Dealer 2, Broker-Dealer 1 “paired-off” the two fake customer sell and buy trades at Wakefield’s request. Although Broker-Dealer 2 did not know about either trade, for Broker-Dealer 1, since the critical terms of the fake offsetting customer trades matched, neither trade would remain on Broker-Dealer 1’s failed trade list and neither trade would require further action. The cash for each trade perfectly offset each other so no money was transferred and the par amount of the trades perfectly offset each other so the Treasuries also were not transferred.

37. To illustrate an example of how the above process worked, on June 20, 2019, Wakefield sold short a par amount of \$20 million Treasuries at a price of \$103.25 to a real counter-party from an IFS proprietary account and reported that sale to Broker-Dealer 1. This was a real trade.

38. That same day, Wakefield also falsely reported to Broker-Dealer 1 that IFS bought, from the IFS customer omnibus account that cleared through Broker-Dealer 2, \$20 million of the same Treasury security for its proprietary account at a price of \$101.00. This was a fake trade.

39. Wakefield set the settlement date for both the real and fake trades as June 26, 2019. Between June 20 and June 26, 2019, IFS's trade blotter reflected a fictitious short term profit of \$395,788.04, which represented the difference in trade prices between the real and fake trades.

40. On June 26, 2019, at the time of settlement, Wakefield covered his short sale position by purchasing a par amount of \$20 million of Treasuries at a price of \$103.11 in an IFS proprietary account. This was a real trade.

41. Wakefield then reported a fake sale of \$20 million Treasuries at a price of \$101.00 from the IFS proprietary account to the IFS customer omnibus account at Broker-Dealer 2. This was a fake trade.

42. Broker-Dealer 1 paired off the fake offsetting trades (20 million in par at a price of \$101.00) from the Broker-Dealer 2 IFS customer omnibus account, and the fictitious short term profit of \$395,788.04 was reversed. However, IFS realized a proprietary profit of \$28,125 on the actual trade.

43. Between June 18 and July 26, 2019, Wakefield engaged in the fraudulent trading behavior described above on at least 15 occasions, hiding his unauthorized speculative Treasury trades from IFS with fictitious temporary apparently profitable offsetting trades. In these 15 occasions, Wakefield traded approximately \$165,750,000 in par value of Treasuries, creating approximately \$4.18 million in illusory short-term profits for IFS but only approximately

\$48,000 of actual profits. These 15 trades are only a subset of Wakefield's unauthorized trades during June – July 2019 and are provided to illustrate the mechanics of the fraud. As discussed beginning at paragraph 48, below, while Wakefield made modest profits on these 15 trades, he incurred significant losses on other trades during this time period.

44. Wakefield also intentionally delayed entering both real and fake trades into Broker-Dealer 1's order management systems to evade Broker-Dealer 1's trade and risk limits, and routinely backdated and staggered trade dates and settlement dates, which allowed him to, among other things, take increasingly larger proprietary positions in excess of that permitted by Broker-Dealer 1.

45. As a result of Wakefield's fraudulent trading scheme, during the period June through August 2019, IFS's books and records pertaining to its liabilities were significantly understated and net capital computations were inaccurate, which resulted in IFS operating at times without sufficient net capital.

46. In addition, during the period of June 2019 through August 2019, Wakefield knowingly caused IFS trades to be reported late or not at all to FINRA's Trade Reporting and Compliance Engine ("TRACE"), which facilitates the mandatory reporting of over-the-counter secondary market transactions in eligible fixed-income securities.

**B. Wakefield's Unauthorized Trading Drove IFS Into Insolvency**

47. Beginning in June 2019, Wakefield tried to recoup losses he had incurred by taking increasingly larger short positions in Treasuries.

48. However, the Treasury market slowly turned against him as Treasury yields dropped, which caused Treasury bond prices to rise and Wakefield's losses from his unauthorized Treasury trades to escalate. For example, yields on 10-year Treasuries dropped from approximately 2.1% in June 2019 to approximately 2.0% by the end of July 2019.

49. Like a bad gambler, Wakefield then “doubled down” on his efforts to recoup the losses. Between July 25 and August 5, 2019, Wakefield speculatively shorted Treasuries in the proprietary account with at least 14 counter-parties – primarily investment banks and institutional trading firms – with a collective par value of over \$300,000,000.

50. Wakefield’s desperate bets failed when the market moved precipitously against his short position and as the price of Treasuries increased sharply rather than going down, causing the yields to decrease. For example, yields on 30-year Treasuries on July 25, 2019, were 2.6%, and had dropped to 2.3% by August 5, 2019.

51. During the week of August 5, 2019, certain of the counter-parties contacted IFS regarding the firm’s failure to honor the trades that Wakefield had placed, and IFS’s CEO and others at the firm became aware of Wakefield’s unauthorized speculative Treasury trading.

52. IFS terminated Wakefield on August 8, 2019. IFS spent virtually all of its existing capital, approximately \$5.3 million as of July 31, 2019, attempting to cover more than \$24 million in losses on Wakefield’s failing trades. IFS filed for bankruptcy on April 24, 2020.

53. At least 14 counter-parties collectively lost over \$24 million unwinding the unauthorized trades that Wakefield executed, as summarized in the below chart:

<b><u>Wakefield Unauthorized Speculation: July 25 – August 5, 2019</u></b>			
<b>Counter-party</b>	<b>Trade Dates</b>	<b>Par Amount Sold by Wakefield</b>	<b>Total Damages</b>
1	7/30/19 – 8/5/19	40,000,000	\$3,311,776.00
2	8/1/19 – 8/5/19	30,000,000	\$2,192,544.16
3	7/29/19 – 8/1/19	30,000,000	\$2,044,528.24
4	7/25/19 – 8/5/19	40,000,000	\$2,321,519.00
5	7/25/19 – 8/1/19	36,000,000	\$2,000,000.00
6	7/30/19 – 8/5/19	32,000,000	\$3,421,943.22
7	7/25/19	10,000,000	\$485,326.09
8	8/1/19 – 8/5/19	45,000,000	\$3,868,165.00

<b>Wakefield Unauthorized Speculation: July 25 – August 5, 2019</b>			
<b>Counter-party</b>	<b>Trade Dates</b>	<b>Par Amount Sold by Wakefield</b>	<b>Total Damages</b>
9	8/1/19 – 8/5/19	12,000,000	\$ 1,112,060.30
10	7/25/19	13,500,000	\$1,476,000.00
11	8/1/19	10,000,000	\$298,869.00
12	7/25/19	10,000,000	\$448,046.87
13	8/1/19	10,000,000	\$1,048,437.50
14	7/31/19	10,000,000	\$578,342.00
	<b><u>Totals:</u></b>	<b>328,500,000</b>	<b>\$24,607,557.40</b>

### III. WAKEFIELD OBTAINED FRAUDULENT COMMISSION INCOME

54. In addition to, but separate from, Wakefield’s unauthorized speculative Treasury trading described above, Wakefield fraudulently obtained commission income from IFS.

55. Specifically, during the period from January 2017 through August 2019, Wakefield created at least \$1.3 million in gross fictitious commissions in an IFS “riskless principal” account in connection with at least 87 riskless principal transactions in Treasuries and other fixed income securities.

56. In each of these transactions, the IFS principal account was contemporaneously interposed between the buyer and seller to the transaction in such a way that it was never exposed to market risk throughout the execution of the transaction. Both sides were executed simultaneously and the transaction was concluded at the same price where IFS made no profit or loss. Therefore, no commission was charged.

57. However, in order to obtain fictitious commissions, for customer buys, for instance, Wakefield adjusted downwards the price at which the “riskless principal” account sold the bonds to the customer, while keeping the price actually sold to the customer equal to the price at which the bonds were purchased at in the market.

58. The downward adjustment to the “riskless principal” account caused by this price adjustment created the appearance that the customer paid a mark-up which was referenced in IFS’s books and records as a commission. Wakefield was paid out on these commissions at his commission retention rate at 60%.

59. For example, on May 23, 2018, Wakefield engaged in a riskless principal transaction on behalf of a customer buying a Treasury. IFS’s principal account buy from the third-party and IFS’s principal account sell to the customer were in the same CUSIP (912796MB2), for the same par amount (9 million), and at the same price (\$99.995), so IFS did not make a profit or loss on the trades.

60. The customer also did not pay a commission or other remuneration on the transaction. Wakefield, however, fraudulently adjusted the price of the principal account sell to the customer downwards, which resulted in the appearance of a “commission” of \$22,500. IFS paid Wakefield 60% of the fictitious commission, or \$13,500.

61. In total, from January 2017 through August 2019, Wakefield obtained approximately \$820,000 in commission income on riskless principal trades where IFS did not collect the commissions from customers.

**COUNT ONE**

**Violation of Sections 17(a) of the Securities Act  
[15 U.S.C. § 77q(a)]**

62. The SEC re-alleges and incorporates by reference here the allegations in paragraphs 1 through 61.

63. Wakefield, directly or indirectly, singly or in concert, in the offer or sale of securities and by the use of the means or instruments of transportation or communication in interstate commerce or the mails, (i) knowingly or recklessly has employed one or more devices,

schemes or artifices to defraud, (ii) knowingly, recklessly, or negligently has obtained money or property by means of one or more untrue statements of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and/or (iii) knowingly, recklessly, or negligently has engaged in one or more transactions, practices, or courses of business which operated or would operate as a fraud or deceit upon the purchaser.

64. Wakefield violated Section 17(a) by, among other things, engaging knowingly, recklessly, or negligently in a long-running scheme designed to deceive IFS, Broker-Dealer 1, and the counter-parties and making material misstatements and omissions concerning his trading in Treasuries and his receipt of fictitious commission income

65. By reason of the foregoing, Wakefield, directly or indirectly, singly or in concert, has violated and, unless enjoined, will again violate Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)]

### **COUNT TWO**

#### **Violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5]**

66. The SEC re-alleges and incorporates by reference here the allegations in paragraphs 1 through 61.

67. Wakefield directly or indirectly, singly or in concert, in connection with the purchase or sale of securities and by the use of means or instrumentalities of interstate commerce, or the mails, or the facilities of a national securities exchange, knowingly or recklessly has (i) employed one or more devices, schemes, or artifices to defraud, (ii) made one or more untrue statements of a material fact or omitted to state one or more material facts necessary in order to make the statements made, in light of the circumstances under which they

were made, not misleading, and/or (iii) engaged in one or more acts, practices, or courses of business which operated or would operate as a fraud or deceit upon other persons.

68. Wakefield violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder by, among other things, engaging knowingly or recklessly in a long-running scheme designed to deceive the counter-parties and others, and making material misstatements and omissions concerning his trading in Treasuries and his receipt of fictitious commission income.

69. By reason of the foregoing, Wakefield, directly or indirectly, singly or in concert, has violated and, unless enjoined, will again violate Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

### **COUNT THREE**

#### **Aiding and Abetting Violations of Section 15(c)(3) of the Exchange Act [15 U.S.C. § 78o(c)(3)] and Rule 15c3-1 thereunder [17 C.F.R. § 240.15c3-1]**

70. The SEC re-alleges and incorporates by reference here the allegations in paragraphs 1 through 61.

71. IFS violated Section 15(c)(3) of the Exchange Act and Rule 15c3-1 thereunder by, among other things, using the mails or means or instrumentality of interstate commerce to effect transactions in, or induced or attempted to induce the purchase or sale of, any security without maintaining the minimum required net capital.

72. Wakefield knowingly or recklessly provided substantial assistance to IFS with respect to its violations of Section 15(c)(3) of the Exchange Act and Rule 15c3-1 thereunder.

73. By reason of the foregoing, Wakefield is liable pursuant to Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)] for aiding and abetting IFS's violations of Section 15(c)(3) of the Exchange Act [15 U.S.C. § 78o(c)(3)] and Rule 15c3-1 thereunder [17 C.F.R. § 240.15c3-1] and, unless enjoined, Wakefield will again aid and abet these violations.



**COUNT FOUR**

**Aiding and Abetting Violations of Section 17(a)(1) of the Exchange Act [15 U.S.C. § 78q(a)(1)] and Rule 17a-3 thereunder [17 C.F.R. § 240.17a-3]**

74. The SEC re-alleges and incorporates by reference here the allegations in paragraphs 1 through 61.

75. IFS violated Section 17(a)(1) of the Exchange Act and Rule 17a-3 thereunder by, among other things, failing to make and keep current certain required books and records relating to its business.

76. Wakefield knowingly or recklessly provided substantial assistance to IFS with respect to its violations of Section 17(a)(1) of the Exchange Act and Rule 17a-3 thereunder.

77. By reason of the foregoing, Wakefield is liable pursuant to Section 20(e) of the Exchange Act [15 U.S.C. § 78t(e)] for aiding and abetting IFS's violations of Section 17(a)(1) of the Exchange Act [15 U.S.C. § 78q(a)(1)] and Rule 17a-3 thereunder [17 C.F.R. § 240.17a-3] and, unless enjoined, Wakefield will again aid and abet these violations.

**RELIEF REQUESTED**

**WHEREFORE**, the SEC respectfully requests that this Court enter a Final Judgment:

**I.**

Permanently enjoining Wakefield from committing, aiding and abetting, or otherwise engaging in conduct that would make him liable for the violations of the federal securities laws alleged in this Complaint.

**II.**

Ordering Wakefield to disgorge all ill-gotten gains he received directly or indirectly, with pre-judgment interest thereon, as a result of the alleged violations, pursuant to Exchange Act Section 20(d)(5) [15 U.S.C. § 78u(d)(5)] and Sections 6501(a)(1) and (a)(3) of the National

Defense Authorization Act for Fiscal Year 2021, Pub. L. No. 116-283, to be codified at 15 U.S.C. §§ 78u(d)(3) and 78u(d)(7).

**III.**

Ordering Wakefield to pay civil monetary penalties under Securities Act Section 20(d) [15 U.S.C. § 77t(d)] and Exchange Act Section 21(d)(3) [15 U.S.C. § 78u(d)(3)].

**IV.**

Granting any other and further relief this Court may deem just and proper.

**JURY DEMAND**

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, Plaintiff hereby requests a trial by jury on all issues so triable.

September 30, 2021

Respectfully submitted,

**UNITED STATES SECURITIES AND  
EXCHANGE COMMISSION**

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