

3. IBN, CRD #42360, was, at all times material herein, a New York corporation with an address at 8035 Oswego Road, Liverpool, New York 13090.

4. At all times material herein, IBN was in the business of effecting transactions in securities in Pennsylvania as a “broker-dealer” within the meaning of Section 102(e) of the 1972 Act 70 P.S. § 1-102(e).

5. From in or about January 2002 through the present, IBN was registered pursuant to Section 301 of 1972 Act, 70 P.S. § 1-301, as a broker-dealer.

6. At all times material herein, IBN maintained an office and conducted business in Pennsylvania.

7. In or about July 2013, Staff of the Department conducted an examination (“Examination”) at an IBN branch office located in Pennsylvania (“PA Branch Office”).

8. As a result of the Examination, Staff of the Department acquired evidence that IBN employed an agent registered pursuant to Section 301 of 1972 Act, 70 P.S. § 1-301 at the PA Branch Office whose continued registration in Pennsylvania was subject to a plan of heightened supervision (Plan).

9. During the course of the Examination, Staff of the Department also acquired evidence that IBN had failed to comply with all of the terms and conditions of the Plan and also had failed to reasonably supervise the securities related activities of its agent.

VIOLATION

10. By engaging in the acts and conduct set forth in paragraphs 3 through 9 above, IBN failed to reasonably supervise its agent whose acts and conduct form a basis to sanction IBN pursuant to Section 305(a)(vii) of the 1972 Act, 70 P.S. § 1-305(a)(vii).

AUTHORITY

11. Because IBN has failed to reasonably supervise its agent pursuant to Section 305(a)(vii) of the 1972 Act, the Department has the authority to deny, suspend, revoke or condition any registration of IBN or censure IBN.

12. Because IBN has failed to reasonably supervise its agent pursuant to Section 305(a)(vii) of the 1972 Act, the Department has the authority to impose an administrative assessment of up to \$100,000 for each act or omission that constitutes a violation, and also order IBN to pay the costs of the investigation, *see* 70 P.S. § 1-602.1(c)(1)(i) and 70 P.S. § 1-602.1(b).

RELIEF

13. IBN Financial Services, Inc. shall pay the Department an administrative assessment in the amount of \$10,000. Payment shall be made by certified check or money order made payable to the "Department of Banking and Securities" and shall be mailed or delivered, in person, to the Bureau of Securities Licensing, Compliance and Enforcement located at 17 N. Second Street, Suite 1300, Harrisburg, PA 17101. Payment shall be made contemporaneously with the submission of an executed Consent Agreement and Order.

14. IBN Financial Services, Inc. shall pay the Department investigative and legal costs in the amount of \$5,000. Payment shall be made by certified check or money order made payable to the "Department of Banking and Securities" and shall be mailed or delivered, in person, to the Bureau of Securities Licensing, Compliance and Enforcement located at 17 N. Second Street, Suite 1300, Harrisburg, PA 17101. Payment shall be made contemporaneously with the submission of an executed Consent Agreement and Order.

15. The Department acknowledges the representations of IBN Financial Services, Inc., concerning heightened supervision of its agent as set forth in Exhibit A, which is a non-public document appended to this Order and IBN Financial Services, Inc. is ORDERED to comply with the representations set forth therein.

16. IBN Financial Services, Inc. is ORDERED to comply with the 1972 Act, and Regulations adopted by the Department, and in particular Section 305(a)(vii), 70 P.S. § 1-305(a)(vii).

17. Should IBN Financial Services, Inc. fail to pay the costs and the assessment as set forth in paragraphs 13 and 14 above, the sanctions set forth elsewhere in the Order shall continue in full force and effect until full payment is made. However, this provision shall not be construed as affording IBN Financial Services, Inc. the option of either paying the costs and the assessment or being indefinitely subjected to the sanctions.

18. The Consent Agreement submitted by IBN Financial Services, Inc. is hereby accepted as a full and final resolution of all matters arising from this investigation by the Staff of the Department and the Consent Agreement and Order herein.

19. Should IBN Financial Services, Inc. fail to comply with any and all provisions of this Order, the Department may impose additional sanctions and costs and seek other appropriate relief subject to IBN Financial Services, Inc.'s right to a hearing pursuant to the 1972 Act.

FURTHER PROVISIONS

20. Consent. IBN hereby knowingly, willingly, voluntarily and irrevocably consents to the entry of this Order pursuant to the Bureau's authority under the 1972 Act and agrees that it understands all of the terms and conditions contained herein. IBN, by voluntarily entering into

this Order, waives any right to a hearing or appeal concerning the terms, conditions and/or penalties set forth in this Order.

21. Entire Agreement. This Order contains the entire agreement between the Department and IBN. There are no other terms, obligations, covenants, representations, statements, conditions, or otherwise, of any kind whatsoever concerning this Order. This Order may be amended in writing by mutual agreement by the Department and IBN.

22. Binding Nature. The Department, IBN, and all officers, owners, directors, employees, heirs and assigns of IBN intend to be and are legally bound by the terms of this Order.

23. Counsel. This Order is entered into by the parties upon full opportunity for legal advice from legal counsel.

24. Effectiveness. IBN hereby stipulates and agrees that the Order shall become effective on the date that the Bureau executes the Order ("Effective Date").

25. Other Enforcement Action.

(a) The Department reserves all of its rights, duties, and authority to enforce all statutes, rules and regulations under its jurisdiction against IBN in the future regarding all matters not resolved by this Order.

(b) IBN acknowledges and agrees that this Order is only binding upon the Department and not any other local, state or federal agency, department or office regarding matters within this Order.

26. Authorization. The parties below are authorized to execute this Order and legally bind their respective parties.

27. Counterparts. This Order may be executed in separate counterparts, by facsimile and by PDF.

28. Titles. The titles used to identify the paragraphs of this document are for the convenience of reference only and do not control the interpretation of this document.

29. Finding. The Department finds that it is necessary and appropriate in the public interest and for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the 1972 Act to issue this Order.

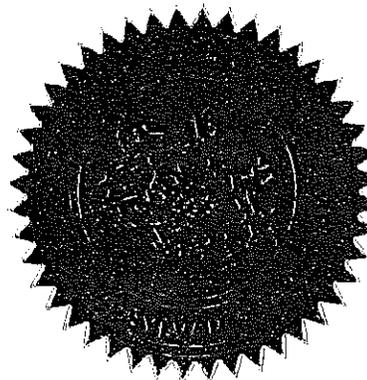
WHEREFORE, in consideration of the foregoing, including the recital paragraphs, the Commonwealth of Pennsylvania, Department of Banking and Securities, Bureau of Securities Licensing, Compliance and Enforcement and IBN Financial Services, Inc. intending to be legally bound, do hereby execute this Consent Agreement and Order.

FOR THE COMMONWEALTH OF PENNSYLVANIA

**DEPARTMENT OF BANKING AND SECURITIES
BUREAU OF SECURITIES LICENSING, COMPLIANCE AND ENFORCEMENT**

James Klutinoty, Chief
Bureau of Securities Licensing, Compliance and Enforcement

Date: 6/24/2014



FOR IBN FINANCIAL SERVICES, INC.

(Officer Signature)

Richard J. Caleso Jr.

(Print Officer Name)

CEJ

(Title)

Date: 6/2/14

