

BEFORE THE DIVISION OF INSURANCE
DEPARTMENT OF LABOR AND REGULATION
STATE OF SOUTH DAKOTA

IN THE MATTER OF)
INDEPENDENT FIANCIAL GROUP, LLC) CONSENT ORDER
)

In resolution of the above matter and in lieu of issuance of a Notice of Hearing and a formal hearing, the undersigned parties do hereby agree to the following:

INDEPENDENT FIANCIAL GROUP, LLC ("IFG") whose address of record is 12671 High Bluff Drive, Suite 200, San Diego, CA 92130, is a limited liability corporation based in the state of California;

IFG is aware that the South Dakota Division of Insurance ("Division") has conducted an investigation into their securities activities and sales in South Dakota;

The Division has alleged the following:

- 1) IFG failed to properly review and/or evaluate the outside business activity request filed by Mr. Jeffery Schwebach, a former registered agent of IFG, regarding the sale of an unregistered security—Woodbridge promissory notes, in violation of SDCL §§ 47-31B-102, 47-31B-301, 47-31B-412, FINA rule 3270, and ARSD 20:08:03:06;
- 2) IFG failed to properly supervise, document, and/or retain records of Mr. Jeffery Schwebach's outside securities transactions, the Woodbridge promissory notes, in violation of SDCL §§ 47-31B-411, FINA rule 3280, and ARSD 20:08:03:06;
- 3) In violation of IFG's rules and his own representations to IFG, Mr. Jeffery Schwebach, sold the Woodbridge promissory notes, which was later determined to be a Ponzi scheme, to 17 investors, who made investments totaling \$845,000, but whose total losses are unknown at this time, most of whom have assigned their claims to the Woodbridge Liquidating Trust. Of those 17 investors, 15 were IFG customers, whose Woodbridge investments totaled \$735,000;
- 4) The above-cited conduct may be grounds for the denial, suspension, and revocation of IFG's registration and the issuance of a monetary penalty of up to \$10,000 per violation, pursuant to SDCL §§ 47-31B-102, 47-31B-301, 47-31B-306, 47-31B-603, and 47-31B-604;

IFG is aware of and understands the nature of the charges and have been informed that it has the right to notice, hearing, and appeal, and that by agreeing to and signing this Consent Order, agree to the waiver of these rights;

By the execution of this Consent Order, IFG neither admits to nor denies any violations of the laws of the State of South Dakota, but waives its right to contest the allegations contained in this Consent Order, and it is expressly understood that this Consent Order is not intended to nor does it render IFG,

or any of its principals, agents or affiliated individuals or entities (the "IFG Parties") as "Bad Actors" under SEC Regulation D, Rule 506(d), and cannot be used by any party or regulator to support disqualification of any IFG Parties as "Bad Actors" ;

In return for IFG agreeing to the provisions of this Consent Order, the Division agrees not to proceed to a formal hearing and agrees that this Consent Order will constitute an informal disposition of this matter pursuant to SDCL § 1-26-20;

IFG further agrees to pay \$18,750 in restitution to certain injured parties who have not assigned their claims irrevocably to the Woodbridge Liquidating Trust, and whose interests are not being pursued by the Trustee. IFG and the Division agrees that as a condition of restitution the injured parties will agree to provide IFG a complete release including language approved by the Division; and

IFG further agrees that this Consent Order may be considered for the purpose of determining an appropriate sanction in any future actions with the Division for any violations of the laws or regulations of the State of South Dakota or for failing to abide by any order of the Director;


Wherefore, good cause appearing from the foregoing, it is hereby ORDERED that IFG will pay restitution to the injured parties listed in Exhibit 1 as set forth above, which will be split proportionately among those individuals; and it is further

ORDERED that IFG will abide by the agreements made by it in this Consent Order; and it is further

ORDERED that this consent order is necessary and appropriate in the public interest and for the protection of investors and is consistent with the purposes fairly intended by the policy and provisions of SDCL 47-31B; and it is further

ORDERED that the provisions of this Consent Order shall be effective from the date the Director signs this Order.

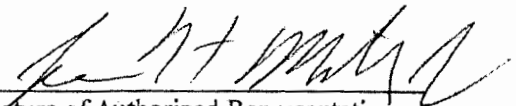
Dated at Pierre, South Dakota this 22nd day of July, 2020.



Larry Deiter, Director
South Dakota Division of Insurance

The undersigned, on behalf of IFG, represents that it understands the terms of this Consent Order and the waiver of its due process rights and voluntarily enters into this Consent Order.

Dated this 13th day of July, 2020.


Signature of Authorized Representative

Joe H Miller, Jr.
Printed Name

CEO / Managing Director
Title