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FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER, AND CONSENT
NO. 2020065124802

TO: Department of Enforcement
Financial Industry Regulatory Authority (FINRA)

RE: Infinity Financial Services (Respondent)
Member Firm
CRD No. 144302

Pursuant to FINRA Rule 9216, Respondent Infinity Financial Services submits this Letter of Acceptance, Waiver, and Consent (AWC) for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against Respondent alleging violations based on the same factual findings described in this AWC.

I.

ACCEPTANCE AND CONSENT

A. Respondent accepts and consents to the following findings by FINRA without admitting or denying them:

BACKGROUND

Infinity has been a FINRA member since 2007. The firm, which is headquartered in Oakland, California, has 33 branch offices and approximately 40 registered representatives. Infinity conducts a general securities business, including sales of variable annuities.[1]

OVERVIEW

From June 2019 to the present, Infinity failed to establish and maintain a supervisory system, including written supervisory procedures (WSPs), reasonably designed to surveil rates of deferred variable annuity exchanges. Additionally, between June 2019 and February 2020, Infinity failed to reasonably supervise a former registered representative's unsuitable variable annuity exchange and purchase recommendations. As a result, Infinity violated FINRA Rules 3110, 2330, and 2010. For these violations, Infinity is censured, fined $25,000, ordered to pay restitution of $25,436, and has agreed to an undertaking.

[1] For more information about the firm, including prior regulatory events, visit BrokerCheck® at www.finra.org/brokercheck.

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FACTS AND VIOLATIVE CONDUCT

This matter originated from a FINRA cycle examination of Infinity.

Infinity failed to establish and maintain a supervisory system, including WSPs, reasonably designed to surveil rates of deferred variable annuity exchanges.

FINRA Rule 3110(a) requires a member firm to establish and maintain a system to supervise the activities of each associated person that is reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable FINRA rules. FINRA Rule 3110(b) requires a member firm to establish, maintain, and enforce written procedures to supervise the types of business in which it engages and the activities of its associated persons that are reasonably designed to achieve compliance with applicable securities laws and regulations, and with applicable FINRA rules. The duty to supervise under FINRA Rule 3110 requires member firms to reasonably investigate red flags that suggest misconduct may be occurring and to act upon the results of such investigation.

Variable annuities are complex, generally long-term investments that offer tax-deferred treatment of earnings and contain securities and insurance features. These features may include guaranteed periodic income payments starting immediately or a guaranteed death benefit. Due in part to the complexity of these products, FINRA requires firms and their associated persons exercise particular care before recommendation of a variable annuity.

FINRA Rule 2330(d) provides that, in addition to the general supervisory requirements of FINRA Rule 3110, members must "establish and maintain specific written supervisory procedures reasonably designed to achieve compliance with the standards set forth in [FINRA Rule 2330]," which relates to members' responsibilities regarding deferred variable annuities. Members also must "implement surveillance procedures to determine if any of the member's associated persons have rates of effecting deferred variable annuity exchanges that raise for review whether such rates of exchange evidence conduct inconsistent with the applicable provisions of [FINRA Rule 2330], other applicable FINRA Rules, or the federal securities laws ('inappropriate exchanges')."

Violations of FINRA Rules 3110 and 2330 constitute violations of FINRA Rule 2010, which requires members "to observe high standards of commercial honor and just and equitable principles of trade" in the conduct of their business.

From June 2019 to the present, the firm failed to establish and maintain a supervisory system, including WSPs, reasonably designed to surveil rates of deferred variable annuity exchanges. The firm did not establish or maintain any procedures explaining how to surveil its registered representatives' deferred variable annuity exchange rates, including who was responsible for such surveillance, how often it would take place, what tools to use to conduct the surveillance, and what parameters to consider when evaluating whether exchange rates were inappropriate. In practice, the firm did not maintain any system for tracking rates of deferred variable annuity exchanges and no review was conducted to monitor registered representatives' exchange rates.

Therefore, Infinity violated FINRA Rules 3110, 2330, and 2010.

Infinity failed to reasonably supervise one registered representative's deferred variable annuity exchange and purchase recommendations.

Variable annuities allow customers to choose from different contract features and options, including various share classes and optional riders. L-share annuities, for example, are designed so that investors pay a higher fee in exchange for the increased liquidity provided by a shorter surrender period. Because L-share contracts generally charge higher fees than comparable B-share contracts, the sale of such contracts may raise suitability concerns when such contracts are sold with an optional long-term living benefit rider, which typically requires the customer to hold the variable annuity for an extended period of at least five years, without making withdrawals, to obtain the full benefit of the rider.

FINRA Rule 2330(b)(1)(A) imposes requirements that apply to recommendations to purchase or exchange deferred variable annuities. Specifically, among other requirements, firms and their associated persons must have a reasonable basis to believe that the deferred variable annuity transactions are suitable for customers and that the customers have been informed, in general terms, of the various features of the deferred variable annuities. With respect to deferred variable annuity exchanges, FINRA Rule 2330(b)(1)(B) provides that the suitability determination must take into consideration whether, among other things, "the customer would . . . lose existing benefits (such as death, living, or other contractual benefits), or be subject to increased fees or charges. . . ."

FINRA Rule 2330(c) provides that "a registered principal shall review and determine whether he or she approves of the recommended purchase or exchange of [a] deferred variable annuity" and shall approve a transaction "only if he or she has determined that there is a reasonable basis to believe that the transaction would be suitable based on the factors delineated in [FINRA Rule 2330(b)]."

Between June 2019 and February 2020, Infinity failed to reasonably supervise the suitability of a registered representative's deferred variable annuity exchange and purchase recommendations. The registered representative recommended 10 deferred variable annuity exchanges to nine of the firm's customers, and also recommended that two other customers purchase deferred variable annuities, without having a reasonable basis to believe the recommendations were suitable.[2] In connection with these

[2] In April 2025, the registered representative consented to an AWC with FINRA that included findings that, among other things, the representative recommended unsuitable deferred variable annuity exchanges and purchases in violation of FINRA Rules 2111, 2330, and 2010, and made negligent misrepresentations and omissions of material fact in connection with those transactions, in contravention of Section 17(a)(2) of the Securities Act of 1933, which

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transactions, the firm's registered principals failed to identify red flags that the deferred variable annuities may not be suitable, including that the representative recommended that the customers combine shorter term L-share deferred variable annuities with long-term living benefit riders without assessing or documenting why this combination was suitable. Moreover, the representative failed to conduct a comparative analysis of the benefits, fees, and costs of the surrendered and replacement variable annuities, and failed to reasonably consider the customers' loss of a tax-advantaged method for taking withdrawals. A registered principal at the firm also failed to analyze these issues. Finally, the firm failed to detect that the representative inaccurately stated the costs, fees, and share classes of the proposed annuities. The firm approved the 10 exchanges and two purchase recommendations without identifying these red flags or satisfying its obligations under Rule 2330(c). As a result of the registered representative's unsuitable recommendations, which Infinity approved, the customers collectively paid $25,436 in additional costs.

Therefore, Infinity violated FINRA Rules 3110, 2330, and 2010.

B. Respondent also consents to the imposition of the following sanctions:

- a censure;
- a $25,000 fine;[3]
- joint and several restitution of $25,436 as described below; and
- an undertaking that, within 180 days of the date of the notice of acceptance of this AWC, a member of Respondent's senior management who is a registered principal of the firm shall certify in writing that, as of the date of the certification, the firm has remediated the issues identified in this AWC and implemented a supervisory system, including written supervisory procedures, reasonably designed to achieve compliance with FINRA Rule 2330 regarding the issues identified in this AWC. The certification shall include a narrative description and supporting exhibits sufficient to demonstrate Respondent's remediation and implementation. FINRA staff may request further evidence of Respondent's remediation and implementation, and Respondent agrees to provide such evidence. Respondent shall submit the certification to Chandana Kolavala, Senior Counsel, chandana.kolavala@finra.org, with a copy to EnforcementNotice@finra.org. Upon written request showing good cause, FINRA staff may extend this deadline.

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thereby violated FINRA Rule 2010. The representative was suspended for 12 months, fined $10,000, and ordered to pay restitution in the amount of $25,436.

[3] Pursuant to the General Principles Applicable to all Sanction Determinations contained in FINRA's Sanction Guidelines, FINRA imposed a lower fine in this case after it considered, among other things, Infinity's revenues and financial resources and its agreement to pay restitution.

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

Restitution is ordered to be paid to the customers listed on Attachment A to this AWC (Eligible Customers) in the total amount of $25,436.

A registered principal on behalf of Respondent shall submit satisfactory proof of payment of restitution or of reasonable and documented efforts undertaken to effect restitution. Such proof shall be submitted by email to EnforcementNotice@FINRA.org from a work-related account of the registered principal of Respondent. 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 AWC.

The restitution amount 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 AWC, 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.

Respondent specifically and voluntarily waives any right to claim an inability to pay, now or at any time after the execution of this AWC, the monetary sanctions imposed in this matter.

The imposition of a restitution order or any other monetary sanctions in this AWC, and the timing of such ordered payments, does not preclude customers from pursuing their own actions to obtain restitution or other remedies.

Restitution payments to customers shall be preceded or accompanied by a letter, not unacceptable to FINRA, describing the reason for the payment and the fact that the payment is being made pursuant to a settlement with FINRA and as a term of this AWC.

The sanctions imposed in this AWC shall be effective on a date set by FINRA.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondent specifically and voluntarily waives the following rights granted under FINRA's Code of Procedure:

A. To have a complaint issued specifying the allegations against it;

B. To be notified of the complaint and have the opportunity to answer the allegations in writing;

C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made, and to have a written decision issued; and

D. To appeal any such decision to the NAC and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, Respondent specifically and voluntarily waives any right to claim bias or prejudgment of the Chief Legal Officer, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

Respondent further specifically and voluntarily waives any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

Respondent understands that:

A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA), pursuant to FINRA Rule 9216;

B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against Respondent; and

C. If accepted:

[redacted]

1. this AWC will become part of Respondent's permanent disciplinary record and may be considered in any future action brought by FINRA or any other regulator against Respondent;

2. this AWC will be made available through FINRA's public disclosure program in accordance with FINRA Rule 8313;

3. FINRA may make a public announcement concerning this agreement and its subject matter in accordance with FINRA Rule 8313; and

4. Respondent may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. Respondent may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects Respondent's right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party. Nothing in this provision affects Respondent's testimonial obligations in any litigation or other legal proceedings.

D. Respondent may attach a corrective action statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent understands that it may not deny the charges or make any statement that is inconsistent with the AWC in this statement. This statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA.

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The undersigned, on behalf of Respondent, certifies that a person duly authorized to act on Respondent's behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that Respondent has agreed to the AWC's provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth in this AWC and the prospect of avoiding the issuance of a complaint, has been made to induce Respondent to submit this AWC.

April 27, 2026
____
Date

GREGORY GILBERT
____
Infinity Financial Services
Respondent

Print Name: GREGORY GILBERT

Title: President

Reviewed by:

Kendra Canape
____
Kendra Canape, Esq.
Counsel for Respondent
Gordon Rees Scully Mansukhani, LLP
5 Park Plaza, Suite 1100
Irvine, CA 92614

Accepted by FINRA:

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

May 5, 2026
____
Date

Chandana Kolavala
____
Chandana Kolavala
Senior Counsel
FINRA
Department of Enforcement
300 S. Grand Ave, Suite 1600
Los Angeles, CA 90071

[redacted]

ATTACHMENT A

Customer	Restitution
Customer 1	$2,200
Customer 2	$2,079
Customer 3	$6,927
Customer 4	$1,898
Customer 5, Account 1	$916
Customer 5, Account 2	$1,001
Customer 6	$4,377
Customer 7	$650
Customer 8	$656
Customer 9	$4,732
	Total: $25,436