



Financial Industry Regulatory Authority

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June 21, 2019

**Via Electronic Scan**

Mr. Brent J. Fields  
Secretary  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, D.C. 20549-1090

Re: In the Matter of the Association of David B. Girton (CRD No. 1317773) with Sturdivant & Co., Inc. (CRD No. 24583)

Dear Mr. Fields:

Effective June 21, 2019, and pursuant to the Securities Exchange Act of 1934 (“SEA” or “Exchange Act”) Rule 19h-1(a)(3)(ii), the Financial Industry Regulatory Authority (“FINRA”) hereby provides notification to the United States Securities and Exchange Commission (“SEC” or “the Commission”) of the association of David B. Girton (“Girton”) as a General Securities Representative with Sturdivant & Co., Inc. (“Sturdivant” or “Firm”). On March 29, 2019, Sturdivant submitted a Membership Continuance Application (“MC-400” or “the Application”) with FINRA’s Department of Registration and Disclosure seeking to permit Girton’s association with the Firm.<sup>1</sup>

**I. Statutory Disqualifying Event**

Girton is subject to statutory disqualification, as that term is defined in Section 3(a)(39)(F) of the Securities Exchange Act of 1934 (“Exchange Act” or “SEA”), as a result of a Letter of Acceptance, Waiver and Consent (“AWC”) issued by FINRA on December 5, 2016.<sup>2</sup> According to the AWC, Girton willfully failed to disclose four unsatisfied judgments and two unsatisfied state tax liens on his Initial Uniform Application for Securities Industry Registration and Transfer Form (“Form U4”), totaling approximately \$130,500.<sup>3</sup> The judgments and state tax liens were entered against Girton during the period of July 2012 through July 2015, which he failed to timely disclose on his Form U4. For these violations, FINRA suspended Girton from association with any FINRA member in any capacity for four

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<sup>1</sup> MC-400 Application, as well as related documents, filed by Sturdivant on behalf of Girton dated March 29, 2019 (attached as Exhibit 1).

<sup>2</sup> AWC No. 20150436491-01 dated December 5, 2016 (attached as Exhibit 2).

<sup>3</sup> *Id.*

months and Girton consented to a \$7,500 fine. He served his suspension from January 3, 2017 through May 2, 2017 and he paid the fine.<sup>4</sup>

## II. Background Information

### A. Girton

#### Proposed Association & Responsibilities

Sturdivant states that Girton will work from his residence in Noblesville, Indiana.<sup>5</sup> Girton will function as a registered representative, will not have any supervisory or principal responsibilities, and will perform sales functions for which he would be compensated on a commission basis.<sup>6</sup> The Firm also represents that Girton will be a “passive registered representative” in that he will not effectuate securities transactions, he will not make recommendations to customers or handle customer orders, and he will work solely with institutional investors as that term is defined in FINRA Rule 4512(c).<sup>7</sup>

#### Employment and Registration History

##### *Employment History*

Girton has been associated with the following firms, during the following periods:<sup>8</sup>

| <u>Firm</u>                                      | <u>Period of Association</u> |
|--|------------------------------|
| Sturdivant                                       | 03/2019 – Present            |
| Powell Capital Markets, Inc.                     | 10/2017 – 01/2019            |
| Security Capital Brokerage Inc.                  | 09/2015 – 12/2016            |
| Indiana Merchant Banking and Brokerage Co., Inc. | 12/2013 – 10/2015            |
| Andes Capital Group, LLC                         | 10/2012 – 12/2013            |
| Piper Jaffray & Co.                              | 08/2011 – 07/2012            |
| Liger Capital Advisors, Inc.                     | 01/2011 – 08/2011            |
| Kipling Jones & Co., Ltd.                        | 05/2011 – 06/2011            |
| Northeast Securities, Inc.                       | 01/2011 – 04/2011            |
| Andes Capital Group, LLC                         | 06/2009 – 01/2011            |
| Melvin Securities, LLC                           | 11/2008 – 05/2009            |
| SBK-Brooks Investment Corp.                      | 01/2008 – 11/2008            |
| Andes Capital Group, LLC                         | 01/2007 – 01/2008            |

<sup>4</sup> Girton paid the fine in full on August 8, 2017.

<sup>5</sup> Email correspondence from Carl Gibbs dated May 30, 2019 (attached as Exhibit 3). *See also* Central Registration Depository (“CRD”) Snapshot for Girton at p. 3 (attached as Exhibit 4).

<sup>6</sup> *See* Exhibit 1 at p. 114, in response to items 2, 4 and 6.

<sup>7</sup> *Id.* at p. 129.

<sup>8</sup> *See* Exhibit 4 at pp. 3-10.

|   |                   |
|---|-------------------|
| Chicago Investment Group, LLC                             | 09/2006 – 01/2007 |
| SBK-Brooks Investment Corp.                               | 04/2000 – 03/2006 |
| Horwitz & Associates, Inc.                                | 02/1999 – 04/2000 |
| First Allied Securities, Inc.                             | 09/1998 – 01/1999 |
| SBK-Brooks Investment Corp.                               | 09/1995 – 08/1998 |
| McDonald & Company Securities, Inc.                       | 07/1991 – 09/1995 |
| Quest Capital Strategies, Inc.                            | 12/1990 – 06/1991 |
| Equico Securities, Inc.                                   | 11/1989 – 02/1990 |
| The Equitable Life Assurance Society of the United States | 11/1989 – 02/1990 |

### *Registration History*

Girton qualified as an Investment Company and Variable Contracts Products Representative (Series 6) in January 1985, a General Securities Representative (Series 7) in March 1986, and a General Securities Principal (Series 24) in February 2006.<sup>9</sup> He also passed the Uniform Securities Agent State Law Examination (Series 63) in February 1985.<sup>10</sup>

### *Prior SEA Rule 19h-1 Notices and Notifications*

There is one prior SEA Rule 19h-1 Notice filed on June 25, 2018 for Girton.<sup>11</sup> The heightened plan of supervision contained therein remains in full force and effect with the exception that Girton's primary supervisor is now Carl R. Gibbs and his alternate supervisor is now Harvey R. DeKrafft.<sup>12</sup>

### *Regulatory History*

On August 24, 2015, Indiana Securities Division brought an action against Girton for failing to disclose accurate information on his Form U-4.<sup>13</sup> The information Girton failed to disclose involved the same judgments that were addressed by the FINRA AWC. Girton settled the matter by consenting to a civil and administrative penalty of \$500.

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<sup>9</sup> *Id.* at p. 20.

<sup>10</sup> *Id.* at p. 21.

<sup>11</sup> SEA Rule 19h-1 Notice, dated June 25, 2018, filed on behalf of Girton (attached as Exhibit 5).

<sup>12</sup> *See infra*, Section III – Proposed Supervision.

<sup>13</sup> State of Indiana Office of the Secretary of State Securities Division Order to Adopt Consent Agreement (attached as Exhibit 6). Girton is not subject to statutory disqualification as a result of the Indiana State Order as the term is defined by SEA §3(a)(39) because the Indiana State Order did not impose any limitations, such as a suspension or revocation, on Girton's registration in the State of Indiana, nor was the order based on violations of any laws or regulations that prohibit fraudulent, manipulative or deceptive conduct.

### *Terminations*

Girton was terminated from Security Capital Brokerage Inc. in December 2016 because of the suspension arising from the AWC.<sup>14</sup> He was previously terminated from Piper Jaffray & Co. Ltd. in July 2012, as part of a larger firm restructuring process. Girton was discharged from First Allied Securities, Inc. in January 1999 for “failure to comply with firm’s requests for documentation and account procedures.”<sup>15</sup>

### **B. The Firm**

Sturdivant has been a NASD/FINRA member since October 1989.<sup>16</sup> The Firm’s main office is located in Mt. Laurel, New Jersey, which is also its Office of Supervisory Jurisdiction (“OSJ”).<sup>17</sup> The Firm has three branch offices; employs 10 registered representatives, five registered principals and 10 associated persons as employees.<sup>18</sup> The Firm does not employ any other statutorily disqualified individuals.

### **III. Proposed Supervision**

#### **A. Girton’s Primary Supervisor – Carl R. Gibbs (CRD No. 2487105)**

The Firm proposes its President and Chief Compliance Officer, Carl R. Gibbs (“Gibbs”), as Girton’s primary supervisor.<sup>19</sup> Gibbs works from the Firm’s OSJ, as a General Securities Principal.<sup>20</sup> He supervises four representatives involved in equity research and institutional sales/marketing<sup>21</sup> and reports no outside business activities.<sup>22</sup>

Gibbs first registered in the securities industry as an Investment Company and Variable Contracts Products Representative (Series 6) in May 1994, a General Securities Representative (Series 7) in April 2000 and passed the Uniform Securities Agent State Law Examination (Series 63) in June 2000.<sup>23</sup> Gibbs later qualified as a General Securities

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<sup>14</sup> See Exhibit 4 at p. 4.

<sup>15</sup> *Id.* p. 5.

<sup>16</sup> See Exhibit 1 at p. 116.

<sup>17</sup> *Id.* at p. 112 and 114.

<sup>18</sup> See Exhibit 3, response to question 4.

<sup>19</sup> See Exhibit 1 at p.115, response to item 1. See also the Firm’s CRD Snapshot at p. 4 (attached as Exhibit 7).

<sup>20</sup> CRD Snapshot for Gibbs, pp. 4 and 7 (attached as Exhibit 8).

<sup>21</sup> See Exhibit 1, p. 116.

<sup>22</sup> See Exhibit 8 p. 10.

<sup>23</sup> *Id.* at p. 11.

Principal (Series 24) in May 2007, a Research Principal (Series 87) in October 2008 and was given credit for the Securities Industry Essentials Examination (SIE) in October 2018.<sup>24</sup>

Gibbs has been associated with the following firms, during the following periods:<sup>25</sup>

| <u>Firm</u>                               | <u>Periods of Association</u> |
|---|-------------------------------|
| Sturdivant                                | 03/2002 – Present             |
| Gunnallen Financial, Inc.                 | 01/2004 – 01/2005             |
| Back Bay Capital, Inc. <sup>26</sup>      | 08/2002 – 05/2003             |
| Capital Suisse Securities, Inc.           | 10/2001 – 10/2002             |
| First Montauk Securities Corp.            | 11/2000 – 10/2001             |
| Sterling Financial Investment Group, Inc. | 11/2000 – 12/2000             |
| Joseph Charles & Assoc., Inc.             | 09/1999 – 11/2000             |
| Pruco Securities Corporation              | 04/1994 – 09/1999             |

Gibbs' CRD record shows no disciplinary or regulatory proceedings, complaints or arbitrations against him.<sup>27</sup>

#### **B. Girton's Alternate Supervisor – Harvey R. DeKrafft (CRD No. 1579931)**

In Gibbs' absence, Harvey R. DeKrafft ("DeKrafft") will act as Girton's alternate supervisor.<sup>28</sup> DeKrafft is the Firm's Managing Director, Chief Compliance Officer, and Financial Operations Principal.<sup>29</sup> DeKrafft has been employed with the Sturdivant since January 1989, the only FINRA member with whom he has associated.<sup>30</sup>

He first registered in the securities industry as a General Securities Representative (Series 7) in November 1986 and passed the Uniform Securities Agent State Law Examination (Series 63) in September 1987.<sup>31</sup> He has also qualified as a General Securities Principal (Series 24) in June 1998, an Introducing Broker-Dealer Financial and Operations Principal (Series 28) in November 2007, and a Securities Trader Representative (Series 57) in January 2017.<sup>32</sup> He

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<sup>24</sup> *Id.* See also *id.* at p. 10.

<sup>25</sup> *Id.* at p. 4-6.

<sup>26</sup> Gibbs was discharged from this firm for lack of production.

<sup>27</sup> See Exhibit 8 at p. 15.

<sup>28</sup> See Exhibit 3, response to question 1.

<sup>29</sup> See Exhibit 7 at p. 4.

<sup>30</sup> CRD Snapshot for DeKrafft, p. 4 (attached as Exhibit 9).

<sup>31</sup> *Id.* at pp. 8-9.

<sup>32</sup> *Id.*

was also approved as an Operations Professional (Series 99) in December 2011 and a Compliance Officer (Series 14) in October 2018.<sup>33</sup>

#### *Regulatory History*

In a 1999 decision,<sup>34</sup> FINRA found that DeKrafft served as a general securities principal for Sturdivant prior to properly qualifying and registering as such. For his misconduct, DeKrafft was fined \$10,000, and suspended from acting in a principal capacity for 60 days.

DeKrafft's CRD record shows no other disciplinary or regulatory proceedings, complaints or arbitrations against him.

#### **IV. Basis for FINRA's Filing of the 19h-1 Notification**

SEA Rule 19h-1(a)(3)(ii) reads, in part:

A notice need not be filed with the Commission pursuant to this rule if . . .

The self-regulatory organization finds after reasonable inquiry, that except for the identity of the employer concerned, the terms and conditions of the proposed admission or continuance are the same in all material respects as those imposed or not disapproved in connection with a prior admission or continuance of a person subject to statutory disqualification<sup>35</sup> pursuant to an order of the Commission . . . or substantially equivalent written communication and that there is no intervening misconduct or other circumstance that would cause employment to be inconsistent with the public interest or the protection of investors.

It is appropriate for FINRA to file this notification pursuant to SEA Rule 19h-1(a)(3)(ii), because this Application meets all applicable conditions of this rule. Girton's disqualification was based on a FINRA proceeding, which did not restrict him from associating in the capacity now being proposed by Sturdivant. The Firm has agreed to the the heightened plan of supervision previously imposed in accordance with Girton's prior approval for association.<sup>36</sup> Further, the Firm represents that Girton will not be working as a supervisor or as a principal.<sup>37</sup> Moreover, the Firm also agreed to Girton meeting with his primary

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<sup>33</sup> *Id.* at p. 4.

<sup>34</sup> Hearing Panel Decision dated January 20, 1999 (attached as Exhibit 10).

<sup>35</sup> *See supra* note 11.

<sup>36</sup> *See* Exhibit 3, response to question 3.

<sup>37</sup> *See* Exhibit 1, p. 108, in response to item 4.

supervisory, Gibbs, in person, on a quarterly basis from the date of the Commission's approval of his association with the Firm.<sup>38</sup>

FINRA knows of no other conduct or other circumstances that would cause Girton's association with the Firm, as a General Securities Representative, to be inconsistent with the public interest or the protection of investors. FINRA therefore believes that this form of notification, to the Commission, is appropriate.

Sturdivant is a member of Investor Exchange, LLC and FINRA has sought and obtained a concurrence from this organization.

Sincerely,



Deon McNeil-Lambkin, Esq.  
1735 K Street, NW  
Washington, DC 20006

Enclosures

|  |   |
|--|---|
| cc: Carl R. Gibbs<br>President/CCO<br>Sturdivant & Co., Inc.<br>3000 Atrium Way, Ste. 520<br>Mt. Laurel, New Jersey 08054  | (Via Electronic Mail &<br>Commercial Courier) |
| Natasha Greiner<br>Office of Chief Counsel<br>Division of Trading and Markets<br>U.S. Securities and Exchange Commission   | (Via Electronic Mail)                         |
| Edward Schellhorn<br>Office of Chief Counsel<br>Division of Trading and Markets<br>U.S. Securities and Exchange Commission | (Via Electronic Mail)                         |
| Scott Gilbert<br>Vice President & District Director – WFC<br>Member Supervision<br>FINRA                                   | (Via Electronic Mail)                         |

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<sup>38</sup> See Exhibit 5.

Brent J. Fields  
U.S. Securities and Exchange Commission  
June 21, 2019  
Page 8

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Associate General Counsel  
Office of General Counsel  
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(Via Electronic Mail)

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List of Exhibits

1. MC-400 Application, as well as related documents, filed by Sturdivant on behalf of Girton dated March 29, 2019.
2. AWC No. 20150436491-01 dated December 5, 2016.
3. Email correspondence from Carl Gibbs dated May 30, 2019.
4. Central Registration Depository (“CRD”) Snapshot for Girton.
5. SEA Rule 19h-1 Notice, dated June 25, 2018.
6. State of Indiana Office of the Secretary of State Securities Division Order to Adopt Consent Agreement.
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