

**FINANCIAL INDUSTRY REGULATORY AUTHORITY
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT,

Complainant,

v.

Andrew S. Walters
CRD No. 7291210,

Respondent.

Disciplinary Proceeding
No. 2024084337302

COMPLAINT

The Department of Enforcement alleges:

SUMMARY

1. Respondent Andrew S. Walters failed to provide documents and information that FINRA requested pursuant to FINRA Rule 8210, and further failed on two occasions to appear for and provide testimony that FINRA requested pursuant to FINRA Rule 8210. FINRA issued these requests for documents, information, and testimony as part of its investigation into, among other things, whether Walters engaged in free-riding by effecting securities purchases in his 401(k) account that he funded using the sale of those same securities; falsely attested on an annual firm compliance questionnaire that he was not the subject of any bankruptcy proceedings; and received excess compensation from his firm. As a result of his failure to provide documents, information, and testimony requested pursuant to FINRA Rule 8210, Walters violated FINRA Rules 8210 and 2010.

RESPONDENT AND JURISDICTION

2. Walters first became registered with FINRA in October 2020 through an association with a FINRA member.

3. In February 2024, Walters registered with FINRA as a General Securities Representative through an association with First Kentucky Securities Corporation (CRD No. 7524).

4. On December 6, 2024, First Kentucky filed a Uniform Termination Notice for Securities Industry Registration (Form U5) on Walters's behalf, disclosing that the firm had discharged Walters for "not following Firm Policies and Procedures."

5. Although Walters is no longer registered or associated with a FINRA member, he remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws, because: (1) the Complaint was filed within two years after December 6, 2024, which was the effective date of termination of Walters's registration with First Kentucky; and (2) the Complaint charges Walters with failing to respond to FINRA requests for documents and information, and for failing to appear for on-the-record testimony, during the two-year period after the date on which he ceased to be registered or associated with a FINRA member.

FACTS

A. Walters twice failed to provide documents and information requested pursuant to FINRA Rule 8210.

6. FINRA opened an investigation into the circumstances giving rise to First Kentucky's termination of Walters's employment with the firm. FINRA investigated allegations that Walters had: (1) engaged in free-riding by effecting securities purchases in his 401(k) account that he funded using the sale of those same securities; (2) falsely attested on an annual

firm compliance questionnaire that he was not the subject of any bankruptcy proceedings; and (3) received excess compensation from his firm.

7. On February 5, 2025, March 3, 2025, and March 18, 2025, in connection with its investigation and pursuant to FINRA Rule 8210, FINRA requested documents and information from Walters related to his termination from First Kentucky. Walters did not comply at all with those requests until July 1, 2025, after FINRA initiated an expedited proceeding pursuant to FINRA Rule 9552 and suspended him from associating with any FINRA member in any capacity. Walters submitted his response by emailing it to FINRA from his personal email address.

8. After Walters responded to the February 5, 2025, March 3, 2025, and March 18, 2025, FINRA Rule 8210 requests, FINRA terminated his suspension from associating with any FINRA member on August 7, 2025.

9. On February 20, 2026, in connection with its investigation, FINRA sent Walters an additional request, pursuant to FINRA Rule 8210 (the First Rule 8210 Document and Information Request), which sought information regarding: (1) the timeline of Walters's personal bankruptcy filing and his disclosure of the bankruptcy filing to First Kentucky; (2) his unauthorized removal of an account block that First Kentucky's clearing firm had placed on his 401(k) account and the trades that he thereafter executed in that account; (3) his 401(k) account balance and financial statements; and (4) his receipt of \$10,000 in excess compensation from First Kentucky.

10. FINRA sent the First Rule 8210 Document and Information Request via United States Postal Service (USPS) certified mail, return receipt requested, and first-class mail to Walters's residential address of record as reflected in the Central Registration Depository

(Walters's CRD Address). FINRA also sent a copy of the First Rule 8210 Document and Information Request via USPS certified mail, return receipt requested, and first-class mail to what Lexis-Nexis identified as a current residential address for Walters (Walters's Lexis-Nexis Address). In addition, FINRA sent a courtesy copy of the First Rule 8210 Document and Information Request via FINRA's electronic compliance portal, FINRA Gateway, to the personal email address that Walters had previously used to communicate with FINRA. Walters's response to the First Rule 8210 Document and Information Request was due no later than March 6, 2026.

11. FINRA received from the USPS an electronic receipt showing that the First Rule 8210 Document and Information Request sent via certified mail to Walters's CRD Address was returned to FINRA and signed for by a FINRA employee on March 25, 2026, and that the First Rule 8210 Document and Information Request sent via certified mail to Walters's Lexis-Nexis Address was delivered to Walters's Lexis-Nexis Address and signed for by an individual on February 26, 2026.

12. The first-class mailings of the First Rule 8210 Document and Information request that FINRA sent to Walters's CRD Address and Walters's Lexis-Nexis Address were not returned to FINRA.

13. FINRA did not receive any notification that the courtesy copy of the First Rule 8210 Document and Information Request sent electronically to Walters's personal email address via FINRA Gateway was undeliverable.

14. Walters did not provide any documents or information in response to the First Rule 8210 Document and Information Request, nor did he request an extension of time to respond.

15. On March 23, 2026, FINRA sent Walters a second letter pursuant to FINRA Rule 8210 (the Second Rule 8210 Document and Information Request), requesting the same documents and information that FINRA had sought in the First Rule 8210 Document and Information Request.

16. FINRA sent the Second Rule 8210 Document and Information Request via USPS certified mail, return receipt requested, and first-class mail to Walters's CRD Address. FINRA also sent a copy of the Second Rule 8210 Document and Information Request via USPS certified mail, return receipt requested, and first-class mail to Walters's Lexis-Nexis Address. In addition, FINRA sent a courtesy copy of the Second Rule 8210 Document and Information Request via FINRA Gateway to the personal email address that Walters had previously used to communicate with FINRA. Walters's response to the Second Rule 8210 Document and Information Request was due no later than April 6, 2026.

17. FINRA received from the USPS electronic receipts showing that the Second Rule 8210 Document and Information Request sent via certified mail to both Walters's CRD Address and Walters's Lexis-Nexis Address were returned to FINRA and signed for by a FINRA employee on April 13, 2026 and April 17, 2026, respectively. When FINRA received the return envelopes, the letter sent to Walters's CRD Address was marked "RETURN TO SENDER VACANT UNABLE TO FORWARD," and the letter sent to Walters's Lexis-Nexis Address was marked "RETURN TO SENDER UNCLAIMED UNABLE TO FORWARD."

18. The first-class mailing of the Second Rule 8210 Document and Information Request that FINRA sent to Walters's CRD Address was not returned to FINRA.

19. The first-class mailing of the Second Rule 8210 Document and Information Request that FINRA sent to Walters's Lexis-Nexis Address was returned to FINRA on May 13,

2026. When FINRA received the return envelope, it was marked “RETURN TO SENDER ATTEMPTED – NOT KNOWN UNABLE TO FORWARD.”

20. FINRA did not receive any notification that the courtesy copy of the Second Rule 8210 Document and Information Request sent electronically to Walters’s personal email address via FINRA Gateway was undeliverable.

21. Walters did not provide any documents or information in response to the Second Rule 8210 Document and Information Request, nor did he request an extension of time to respond.

B. Walters twice failed to appear for and provide OTR testimony requested pursuant to FINRA Rule 8210.

22. On May 14, 2026, in connection with its investigation, FINRA sent Walters a letter, pursuant to FINRA Rule 8210, requesting that he appear for and provide on-the-record testimony on June 5, 2026 (the First Rule 8210 Testimony Request).

23. FINRA sent the First Rule 8210 Testimony Request via USPS certified mail, return receipt requested, and first-class mail to Walters’s CRD Address. FINRA also sent a copy of the First Rule 8210 Testimony Request via USPS certified mail, return receipt requested, and first-class mail to Walters’s Lexis-Nexis Address. In addition, FINRA sent courtesy copies of the First Rule 8210 Testimony Request both directly, and via FINRA Gateway, to the personal email address that Walters had previously used to communicate with FINRA.

24. FINRA received from the USPS electronic receipts showing that the First Rule 8210 Testimony Request sent via certified mail to Walters’s CRD Address and Walters’s Lexis-Nexis Address were “[d]elivered” to the “[o]riginal [s]ender” on June 11, 2026 and June 26, 2026, respectively. When FINRA received the return envelopes, both were marked “RETURN TO SENDER NOT DELIVERABLE AS ADDRESSED UNABLE TO FORWARD.”

25. The first-class mailing of the First Rule 8210 Testimony Request to Walters's CRD Address was returned to FINRA on May 25, 2026. When FINRA received the return envelope, it was marked "RETURN TO SENDER NOT DELIVERABLE AS ADDRESSED UNABLE TO FORWARD."

26. The first-class mailing of the First Rule 8210 Testimony Request that FINRA sent to Walters's Lexis-Nexis Address was not returned to FINRA.

27. FINRA did not receive any notification that the copies of the First Rule 8210 Testimony Request sent electronically to Walters's personal email address—either directly or via FINRA Gateway—were undeliverable.

28. On May 27, 2026, FINRA sent additional courtesy copies of the First Rule 8210 Testimony Request via FedEx Overnight Mail to both Walters's CRD Address and Walters's Lexis-Nexis Address.

29. According to the FedEx website, the First Rule 8210 Testimony Request that FINRA sent to Walters's CRD Address was "still on the way" on August 4, 2026. There is no further delivery information available.

30. On June 1, 2026, FINRA received notification from FedEx that the First Rule 8210 Testimony Request that FINRA sent to Walters's Lexis-Nexis Address was delivered on May 28, 2026. The notification included a photograph of the envelope containing the First Rule 8210 Testimony Request in Walters's mailbox.

31. According to the FedEx website, on July 16, 2026, the First Rule 8210 Testimony Request that FINRA sent to Walters's Lexis-Nexis Address was returned to the local FedEx office. That same day, FINRA received a voicemail from the local FedEx office stating that the package had remained unclaimed for approximately two months, and asking whether FINRA

would like it returned, destroyed, or sent to FedEx's long-term storage facility. FINRA directed FedEx to return the package, and received it on July 24, 2026.

32. On June 5, 2026, Walters failed to appear for his scheduled testimony requested pursuant to FINRA Rule 8210.

33. On June 8, 2026, in connection with its investigation, FINRA sent Walters a letter, pursuant to FINRA Rule 8210, requesting that he appear for and provide on-the-record testimony on June 23, 2026 (the Second Rule 8210 Testimony Request).

34. FINRA sent the Second Rule 8210 Testimony Request via USPS certified mail, return receipt requested, and first-class mail to Walters's CRD Address. FINRA also sent a copy of the Second Rule 8210 Testimony Request via USPS certified mail, return receipt requested, and first-class mail to Walters's Lexis-Nexis Address. In addition, FINRA sent courtesy copies of the Second Rule 8210 Testimony Request both directly, and via FINRA Gateway, to the personal email address that Walters had previously used to communicate with FINRA. And as a further courtesy, FINRA sent copies of the Second Rule 8210 Testimony Request via FedEx Overnight Mail to both Walters's CRD Address and Walters's Lexis-Nexis Address.

35. According to the USPS website, the Second Rule 8210 Testimony Request sent via certified mail to Walters's CRD Address was "returned to the sender on July 27, 2026 . . . because the forwarding order for this address is no longer valid." FINRA has not received the returned mailing.

36. FINRA received from the USPS an electronic receipt showing that the Second Rule 8210 Testimony Request sent via certified mail to Walters's Lexis-Nexis Address was "[d]elivered" to the "[o]riginal sender" on June 26, 2026. When FINRA received the return

envelope, it was marked “RETURN TO SENDER NOT DELIVERABLE AS ADDRESSED UNABLE TO FORWARD.”

37. The first-class mailing of the Second Rule 8210 Testimony Request that FINRA sent to Walters’s CRD Address was not returned to FINRA.

38. The first-class mailing of the Second Rule 8210 Testimony Request that FINRA sent to Walters’s Lexis-Nexis Address was returned to FINRA on July 3, 2026. When FINRA received the return envelope, it was marked “RETURN TO SENDER UNCLAIMED UNABLE TO FORWARD.”

39. FINRA did not receive any notification that the copies of the Second Rule 8210 Document and Information Request that FINRA sent electronically to Walters’s personal email address—either directly or via FINRA Gateway—were undeliverable.

40. FINRA received from FedEx notifications that the Second Rule 8210 Testimony Request that FINRA sent to Walters’s CRD Address and Walters’s Lexis-Nexis Address were delivered on June 10, 2026 and June 9, 2026, respectively. Each notification included a photograph of the envelope containing the Second Rule 8210 Testimony Request in Walters’s mailbox.

41. According to the FedEx website, on July 16, 2026, the Second Rule 8210 Testimony Request that FINRA sent to Walters’s Lexis-Nexis Address was returned to the local FedEx office. That same day, FINRA received a voicemail from the local FedEx office stating that the package had remained unclaimed for approximately one month, and asking whether FINRA would like it returned, destroyed, or sent to FedEx’s long-term storage facility. FINRA directed FedEx to return the package, and received it on July 23, 2026.

42. On June 23, 2026, Walters failed to appear for his scheduled testimony requested pursuant to FINRA Rule 8210.

FIRST CAUSE OF ACTION
Failure to Provide Documents and Information
(Violation of FINRA Rules 8210 and 2010)

43. The Department of Enforcement realleges and incorporates by reference all prior paragraphs.

44. FINRA Rule 8210(a)(1) provides that for the purpose of an investigation, complaint, examination, or proceeding authorized by the FINRA By-Laws or rules, FINRA staff shall have the right to require any person subject to FINRA’s jurisdiction to “provide information orally, in writing, or electronically . . . and to testify at a location specified by FINRA staff . . . with respect to any matter involved in the investigation, complaint, examination, or proceeding.”

45. FINRA Rule 8210(a)(2) provides that FINRA may “inspect and copy the books, records, and accounts of such . . . person with respect to any matter involved in the investigation, complaint, examination, or proceeding that is in such . . . person’s possession, custody, or control.”

46. FINRA Rule 8210(c) provides that “[n]o . . . person shall fail to provide information or testimony or to permit an inspection and copying of books, records, or accounts pursuant to this Rule.”

47. FINRA Rule 8210(d) specifies that notice under Rule 8210 “shall be deemed received by the . . . formerly registered person to whom it is directed by mailing or otherwise transmitting the notice to the last known residential address of the person as reflected in the Central Registration Depository [(CRD)].” FINRA Rule 8210(d) further provides that if “FINRA staff responsible for mailing or otherwise transmitting the notice to a person has actual knowledge that the address in [CRD] is out of date or inaccurate, then a copy of the notice shall

be mailed or otherwise transmitted to: (1) the last known business address of the member or the last known residential address of the person as reflected in [CRD]; and (2) any other more current address of the member or the person known to . . . FINRA staff who is responsible for mailing or otherwise transmitting the notice.”

48. FINRA Rule 2010 requires persons associated with a FINRA member, in the conduct of their business, to “observe high standards of commercial honor and just and equitable principles of trade.”

49. Failing to provide documents and information requested pursuant to FINRA Rule 8210 is a violation of FINRA Rules 8210 and 2010.

50. On February 20, 2026, FINRA sent the First Rule 8210 Document and Information Request, and on March 23, 2026, FINRA sent the Second Rule 8210 Document and Information Request, each via, among other things, USPS certified mail, return receipt requested, and first-class mail to both Walters’s CRD Address and Walters’s Lexis-Nexis Address.

51. Although properly served, Walters failed to provide documents and information in response to FINRA’s First Rule 8210 Document and Information Request and Second Rule 8210 Document and Information Request.

52. FINRA issued the First Rule 8210 Document and Information Request and the Second Rule 8210 Document and Information Request pursuant to FINRA Rule 8210, as part of FINRA’s investigation into the circumstances giving rise to First Kentucky’s termination of Walters’s employment with the firm.

53. Walters’s failure to provide the requested documents and information impeded FINRA’s investigation and deprived it of material information in Walters’s possession.

54. Specifically, as a result of Walters's failure to provide the requested documents and information, FINRA was unable to fully investigate, among other things, allegations that Walters had: (1) engaged in free-riding by effecting securities purchases in his 401(k) account that he funded using the sale of those same securities; (2) falsely attested on an annual firm compliance questionnaire that he was not the subject of any bankruptcy proceedings; and (3) received excess compensation from his firm. Walters's substantial non-compliance with FINRA's requests significantly impeded the staff's investigation into his potential misconduct.

55. By virtue of the foregoing, Walters violated FINRA Rules 8210 and 2010.

**SECOND CAUSE OF ACTION
Failure to Appear for Testimony
(Violation of FINRA Rules 8210 and 2010)**

56. The Department of Enforcement realleges and incorporates by reference all prior paragraphs.

57. Failure to appear for testimony requested pursuant to FINRA Rule 8210 is a violation of FINRA Rules 8210 and 2010.

58. On May 14, 2026, FINRA sent the First Rule 8210 Testimony Request via, among other things, USPS certified mail, return receipt requested, and first-class mail to both Walters's CRD Address and Walters's Lexis-Nexis Address. FINRA also sent the First Rule 8210 Testimony Request via FedEx Overnight Mail to Walters's CRD Address and Walters's Lexis-Nexis Address on May 27, 2026. And on June 8, 2026, FINRA sent the Second Rule 8210 Testimony Request via, among other things, USPS certified mail, return receipt requested, first-class mail, and FedEx Overnight Mail to Walters's CRD Address and Walters's Lexis-Nexis Address.

59. Although properly served, Walters failed to appear for and provide testimony in response to FINRA's First Rule 8210 Testimony Request and Second Rule 8210 Testimony Request.

60. FINRA issued the First Rule 8210 Testimony Request and the Second Rule 8210 Testimony Request pursuant to FINRA Rule 8210, as part of FINRA's investigation into the circumstances giving rise to First Kentucky's termination of Walters's employment with the firm.

61. Walters's failure to appear for and provide testimony on two occasions impeded FINRA's investigation and deprived it of material information in Walters's possession.

62. Specifically, as a result of Walters's failure to provide the requested testimony, FINRA was unable to fully investigate, among other things, allegations that Walters had: (1) engaged in free-riding by effecting securities purchases in his 401(k) account that he funded using the sale of those same securities; (2) falsely attested on an annual firm compliance questionnaire that he was not the subject of any bankruptcy proceedings; and (3) received excess compensation from his firm. Walters's failure to appear for testimony significantly impeded the staff's investigation into his potential misconduct.

63. By virtue of the foregoing, Walters violated FINRA Rules 8210 and 2010.

RELIEF REQUESTED

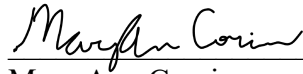
WHEREFORE, the Department of Enforcement respectfully requests that the Panel:

- A. make findings of fact and conclusions of law that Walters committed the violations charged and alleged herein;
- B. order that one or more of the sanctions provided under FINRA Rule 8310(a), including monetary sanctions, be imposed; and

- C. order that Walters bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330.

FINRA DEPARTMENT OF ENFORCEMENT

Date: September 18, 2026



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