

1
2
3
4
5
6

**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

IN THE MATTER OF DETERMINING
Whether there has been a violation of the
Securities Act of Washington by:

Avalon Investment & Securities Group, Inc.

Respondent.

Order No. S-20-3064-21-FO01

ENTRY OF FINDINGS OF FACT AND
CONCLUSIONS OF LAW AND FINAL ORDER TO
REVOKE REGISTRATION AND TO DENY FUTURE
REGISTRATIONS

THE STATE OF WASHINGTON TO: Avalon Investment & Securities Group, Inc.; CRD No. 6281

On September 28, 2021, the Securities Administrator of the State of Washington issued Statement of Charges and Notice of Intent to Revoke Registration, and to Deny Future Registrations, Order No. S-20-3064-21-SC01 (“Statement of Charges”). The Statement of Charges, together with a Notice of Opportunity for Hearing (“Notice”) and an Application for Adjudicative Hearing (“Application”), were served on Respondent Avalon Investment and Securities Group, Inc. on November 23, 2021. The Notice advised Respondent Avalon Investment and Securities Group, Inc. that the Application must be received within twenty days from the date of receipt of the Notice. Respondent Avalon Investment and Securities Group, Inc. failed to request an administrative hearing within twenty days of receipt of the Notice.

The Securities Administrator therefore adopts as final the following Findings of Fact and Conclusions of Law as set forth in the Statement of Charges and enters a final order against Respondent Avalon Investment and Securities Group, Inc. revoking its broker-dealer registration, and denying any application for registration as a broker-dealer or investment adviser that Respondent Avalon Investment and Securities Group, Inc. may seek in the future.

1 **FINDINGS OF FACT**

2 Respondent

3 1. Avalon Investment & Securities Group, Inc. (“Avalon”) is an Alabama corporation, incorporated in
4 March 1972. Avalon has a CRD number of 6281, and maintains a principal place of business in Muscle Shoals,
5 Alabama. Avalon is registered with the Securities Division as a broker-dealer and has been so registered since May
6 2011.

7 Nature of the Conduct

8 2. On or around August 3, 2020, the Financial Industry Regulatory Authority (“FINRA”) issued a Notice
9 of Suspension letter (the “Notice letter”) to Avalon after the firm failed to provide its June 2020 Supplemental Statement
10 of Income report. The Notice letter stated that FINRA would expel Avalon if the firm did not request termination of its
11 suspension on or before November 6, 2020. The Notice letter also advised Avalon that it could request a hearing
12 pursuant to FINRA rule 9559.

13 3. Avalon failed to request the termination of its suspension on or before November 6, 2020. Avalon also
14 failed to request a hearing after the Notice letter advised it that it had the right to a hearing. FINRA entered an order
15 expelling Avalon from FINRA membership on November 6, 2020 pursuant to FINRA rule 9552(h).

16 **CONCLUSIONS OF LAW**

17 Based upon the above Findings of Fact, the following Conclusions of Law are made:

18 1. FINRA’s order expelling Avalon from FINRA membership constitutes an order entered by a self-
19 regulatory organization, after notice and opportunity for a hearing, expelling a registrant from membership in such self-
20 regulatory organization.

21 2. FINRA’s expulsion of Avalon is grounds pursuant to RCW 21.20.110(1)(e)(iii) to revoke Avalon’s
22 broker-dealer registration.

23 3. FINRA’s expulsion of Avalon is grounds pursuant to RCW 21.20.110(1)(e)(iii) to deny any broker-
dealer or investment adviser registration that Avalon may seek.

1
2 **FINAL ORDER**

3 Based upon the foregoing and finding it in the public interest:

4 IT IS HEREBY ORDERED that the broker-dealer registration of Respondent Avalon Investment and
5 Securities Group, Inc. is hereby revoked.

6 IT IS FURTHER ORDERED that the Securities Administrator will deny any application for
7 registration as an investment adviser or as a broker-dealer that Avalon Investment and Securities Group,
8 Inc. may make in the future.

9 **AUTHORITY AND PROCEDURE**

10 This FINAL ORDER is entered pursuant to RCW 21.20.110 and RCW 21.20.390 and is subject to
11 Chapter 34.05 RCW. Respondent Avalon Investment and Securities Group, Inc. has the right to petition the
12 superior court for judicial review of this agency action under Part V of Chapter 34.05 RCW. Pursuant to
13 RCW 21.20.395(4), a certified copy of this Final Order may be filed in superior court. If so filed, the clerk
14 shall treat the Final Order in the same manner as a superior court judgment as to the fine, and the fine may
15 be recorded, enforced, or satisfied in like manner.

16
17 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

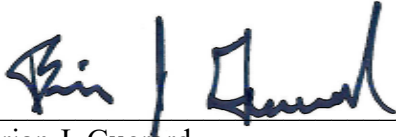
18 SIGNED and ENTERED this 1st day of January, 2022.

19
20
21 

22 _____
23 William M. Beatty
Securities Administrator

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

Approved by:



Brian J. Guerard
Acting Chief of Enforcement

Presented by:



Edward R. Thunen
Financial Legal Examiner