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

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IN THE MATTER OF DETERMINING)	Order No.: S-20-3064-21-SC01
Whether there has been a violation of the)	
Securities Act of Washington by:)	STATEMENT OF CHARGES AND NOTICE OF INTENT
Avalon Investment & Securities Group, Inc.)	TO REVOKE REGISTRATION AND TO DENY FUTURE
)	REGISTRATIONS
Respondent)	

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THE STATE OF WASHINGTON TO: Avalon Investment & Securities Group, Inc. (CRD no. 6281)

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STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondent Avalon Investment & Securities Group, Inc. has engaged in conduct that justifies justify the revocation of Avalon Investment & Securities Group, Inc.’s broker-dealer registration pursuant to RCW 21.20.110(1), and to deny any broker-dealer or investment adviser registrations that Avalon Investment & Securities Group, Inc. may seek in the future pursuant to RCW 21.20.110(1). The Securities Administrator finds as follows:

TENTATIVE FINDINGS OF FACT

Respondent

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

Nature of the Conduct

2. On or around August 3, 2020, the Financial Industry Regulatory Authority (“FINRA”) issued a Notice of Suspension letter (the “Notice letter”) to Avalon after the firm failed to provide its June 2020 Supplemental Statement of Income report. The Notice letter stated that FINRA would expel Avalon if the firm did not request termination of its

1 suspension on or before November 6, 2020. The Notice letter also advised Avalon that it could request a hearing
2 pursuant to FINRA rule 9559.

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

6 **CONCLUSIONS OF LAW**

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

8 1. FINRA's order expelling Avalon from FINRA membership constitutes an order entered by a self-
9 regulatory organization, after notice and opportunity for a hearing, expelling a registrant from membership in such self-
10 regulatory organization.

11 2. FINRA's expulsion of Avalon is grounds pursuant to RCW 21.20.110(1)(e)(iii) to revoke Avalon's
12 broker-dealer registration.

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

15 **NOTICE OF INTENT TO REVOKE REGISTRATION**

16 Pursuant to RCW 21.20.110(1)(e)(iii), and based upon the above Tentative Findings of Fact and Conclusions
17 of Law, the Securities Administrator intends to order that the Respondent's broker-dealer registration be revoked.

18 **NOTICE OF INTENT TO DENY FUTURE REGISTRATIONS**

19 Pursuant to RCW 21.20.110(1)(e)(iii), and based upon the above Tentative Findings of Fact and Conclusions
20 of Law, the Securities Administrator intends to order that any application for registration as a broker-dealer or
21 investment adviser that the Respondent may make shall be denied.

22 **AUTHORITY AND PROCEDURE**

23 This Statement of Charges is entered pursuant to the provisions of Chapter 21.20 RCW, and is subject to the
24 provisions of Chapter 34.05 RCW. The Respondent, Avalon Investment & Securities Group, Inc. may make a written
25 request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR
HEARING accompanying this Order. If the Respondent does not make a hearing request in the time allowed, the

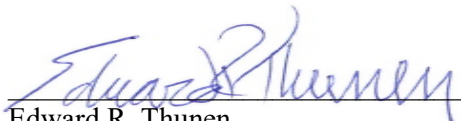
1 Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusion of Law as final and to
2 enter a permanent order revoking the Respondent's broker-dealer registration and denying future registrations.

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4 Signed and Entered this 28th day of September 2021.

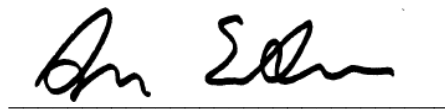
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8 _____
9 William M. Beatty
10 Securities Administrator

11 Presented by:


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13 Edward R. Thunen
14 Financial Legal Examiner

15 Approved by:

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17 _____
18 Suzanne Sarason

19 Chief of Enforcement

20 Reviewed by:

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22 _____
23 Brian J. Guerard
24 Financial Legal Examiner Supervisor