

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

Department of Enforcement,

Complainant,

v.

Keith Todd Ashley  
CRD No. 4096004,

Respondent.

Disciplinary Proceeding  
No. 2020068470002

**COMPLAINT**

The Department of Enforcement alleges:

**SUMMARY**

1. Respondent Keith Ashley failed to respond to requests for information that FINRA made pursuant to FINRA Rule 8210 on January 22, 2021 and February 23, 2021, in connection with an investigation into, among other issues, whether Ashley engaged in undisclosed outside business activities, participated in private securities transactions, or misappropriated customer funds. As a result, Ashley violated FINRA Rules 8210 and 2010.

**RESPONDENT AND JURISDICTION**

2. Ashley first registered with FINRA as an Investment Company and Variable Contracts Products Representative in 2000.

3. From February 2002 through October 27, 2020, Ashley was registered with FINRA as an Investment Company and Variable Contracts Products Representative through an association with Parkland Securities, LLC (CRD No. 115368).

4. On October 27, 2020, Parkland Securities filed a Uniform Termination Notice for Securities Registration (Form U5) stating that the firm had discharged Ashley because it “ha[d]

reason to believe that the representative engaged in undisclosed outside business activities and also failed to provide the firm with prior notice of private securities transactions involving his privately held company.”

5. Although Ashley 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 October 27, 2020, which was the effective date of termination of Ashley’s registration with Parkland Securities, and (2) the Complaint charges Ashley with failing to respond to FINRA requests for information during the two-year period after the date on which he ceased to be registered or associated with a FINRA member.

## **FACTS**

6. In October 2020, following Parkland Securities’ termination of Ashley, FINRA began investigating the circumstances of Ashley’s termination, including whether Ashley engaged in undisclosed outside business activities or participated in private securities transactions.

7. In November 2020, a federal grand jury indicted Ashley on six counts of wire fraud.

8. The indictment alleged, among other things, that Ashley solicited money from his victims under the pretense that he was investing those funds in a Unit Investment Trust (UIT).

9. The indictment further alleged that Ashley made false statements when soliciting these investments, including that there were guaranteed returns and that there was no risk to the initial principal investment.

10. According to the indictment, instead of investing the funds in a UIT, Ashley allegedly spent the more than \$1 million he solicited on personal expenses, such as spending at casinos,

payments on personal credit cards, mortgage payments, and college tuition and student loan payments.

11. Ashley was arrested in November 2020 and has been detained in the Bowie County Correctional Center in Texarkana, Texas pending trial.

12. In November 2020, FINRA began investigating the allegations set forth in the federal indictment, including whether Ashley defrauded investors or misappropriated funds from investors, including customers of Parkland Securities.

***FINRA's First Request for Information***

13. On January 22, 2021, in connection with its investigation, FINRA staff sent a request for information pursuant to FINRA Rule 8210 (First 8210 Request) by both first-class mail and certified mail to Ashley's residential address listed in FINRA's Central Registration Depository (CRD).

14. FINRA staff also sent the First 8210 Request by both first-class mail and certified mail to Ashley at the Bowie County Correctional Center.

15. The First 8210 Request asked Ashley to provide written information, including a description of his fundraising efforts for his outside business activities, whether he disclosed his outside activities to Parkland Securities, and whether he misappropriated customer funds.

16. Also enclosed in the certified mail envelope containing the First 8210 Request sent to Ashley at the Bowie County Correctional Center were blank sheets of paper and a prepaid return FedEx envelope addressed to FINRA staff.

17. The certified mailing containing the First 8210 Request that was sent to Ashley at the Bowie County Correctional Center was hand-delivered to Ashley by personnel of the jail.

18. The first-class mailing containing the First 8210 Request that was sent to Ashley at the Bowie County Correctional Center was not returned to FINRA.

19. The certified mailing containing the First 8210 Request that was sent to Ashley's CRD address is still listed as "in transit" according to the certified mail tracking website maintained by the United States Postal Service.

20. The first-class mailing containing the First 8210 Request that was sent to Ashley's CRD address was not returned to FINRA.

21. Ashley was required to respond to the First 8210 Request by February 12, 2021.

22. Ashley did not respond to the First 8210 Request or obtain an extension of the response deadline from FINRA staff.

***FINRA's Second Request for Information***

23. FINRA staff sent Ashley a second request for information pursuant to FINRA Rule 8210 (Second 8210 Request) on February 23, 2021, by both first-class mail and certified mail to Ashley's CRD address.

24. FINRA staff also sent the Second 8210 Request by both first-class mail and certified mail to Ashley at the Bowie County Correctional Center.

25. The information requested in the Second 8210 Request was identical to that requested in the First 8210 request.

26. Also enclosed in the certified mail envelope containing the Second 8210 Request sent to Ashley at the Bowie County Correctional Center were blank sheets of paper and a prepaid return FedEx envelope addressed to FINRA staff.

27. The certified mailing containing the Second 8210 Request that was sent to Ashley at the Bowie County Correctional Center was hand-delivered to Ashley by personnel of the jail.

28. The first-class mailing containing the Second 8210 Request that was sent to Ashley at the Bowie County Correctional Center was not returned to FINRA.

29. The certified mailing containing the Second 8210 Request that was sent to Ashley's CRD address is still listed as "in transit" according to the certified mail tracking website maintained by the United States Postal Service.

30. The first-class mailing containing the Second 8210 Request that was sent to Ashley's CRD address was not returned to FINRA.

31. Ashley was required to respond to the Second 8210 Request by March 17, 2021.

32. Ashley did not respond to the Second 8210 Request or obtain an extension of the response deadline from FINRA staff.

**CAUSE OF ACTION**  
**Failing to Provide Information**  
**(FINRA Rules 8210 and 2010)**

33. The Department of Enforcement realleges and incorporates by reference paragraphs 1 through 32 above.

34. FINRA Rule 8210(a)(1) provides that, for the purpose of an investigation, complaint, examination, or proceeding authorized by FINRA's By-Laws or rules, FINRA staff have the right to require any person subject to FINRA's jurisdiction to provide information in writing "with respect to any matter involved in the investigation, complaint, examination, or proceeding[.]"

35. FINRA Rule 8210(c) provides that "[n]o member or person shall fail to provide information ... pursuant to this Rule."

36. A violation of FINRA Rule 8210 also constitutes a violation of FINRA Rule 2010, which requires members and associated persons to “observe high standards of commercial honor and just and equitable principles of trade” in the conduct of their business.

37. As alleged above, on January 22, 2021, FINRA staff served Ashley with a request for information pursuant to FINRA Rule 8210.

38. On February 23, 2021, FINRA staff served Ashley with a second request for that same information pursuant to FINRA Rule 8210.

39. As of the date of the filing of this Complaint, Ashley has not provided any of the information requested in these requests.

40. The information FINRA sought from Ashley was material to FINRA’s investigation of the circumstances surrounding Ashley’s termination from Parkland Securities and to whether Ashley had defrauded investors or misappropriated customer funds.

41. Ashley’s failure to answer FINRA’s requests for information impeded and delayed FINRA’s investigation.

42. Through these actions, Ashley violated FINRA Rules 8210 and 2010.

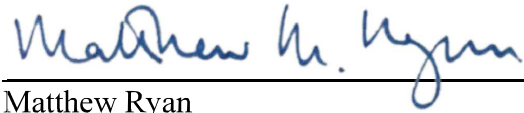
### **RELIEF REQUESTED**

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

- A. make findings of fact and conclusions of law that Respondent 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 Respondent bears such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with FINRA Rule 8330.

**FINRA DEPARTMENT OF ENFORCEMENT**

Date: December 10, 2021



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Matthew Ryan  
Principal Counsel  
FINRA Department of Enforcement  
1601 Market St., Suite 2700  
Philadelphia, PA 19103-2339  
Phone: (215) 209-7094  
E-mail: [matthew.ryan@finra.org](mailto:matthew.ryan@finra.org)

Kevin M. Hartzell, Director  
FINRA Department of Enforcement  
581 Main St., 7th Floor  
Woodbridge, NJ 07095  
Phone: (732) 596-2048  
E-mail: [kevin.hartzell@finra.org](mailto:kevin.hartzell@finra.org)