

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 73205 / September 24, 2014

INVESTMENT ADVISERS ACT OF 1940
Release No. 3932 / September 24, 2014

ADMINISTRATIVE PROCEEDING
File No. 3-16162

In the Matter of

WILLIAM L. WALTERS,

Respondent.

**ORDER INSTITUTING ADMINISTRATIVE
PROCEEDINGS PURSUANT TO SECTION
15(b) OF THE SECURITIES EXCHANGE
ACT OF 1934 AND SECTION 203(f) OF THE
INVESTMENT ADVISERS ACT OF 1940
AND NOTICE OF HEARING**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate and in the public interest that public administrative proceedings be, and hereby are, instituted pursuant to Section 15(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and Section 203(f) of the Investment Advisers Act of 1940 (“Advisers Act”) against William L. Walters (“Respondent” or “Walters”).

II.

After an investigation, the Division of Enforcement alleges that:

A. RESPONDENT

1. Walters, age 48, formerly resided in Honolulu, Hawaii, from 2000 to 2003, and then in Lone Tree, Colorado, through August 2006. He was the owner and operator of Samurai Capital, Inc. (“Samurai”) and Mana Trading Co., Inc. (“Mana Trading”), two alter ego

entities. From 1993 through 1997, prior to the relevant time period, Walters was a registered representative associated with two successive broker-dealers.

2. From at least 2001 through 2006, Walters offered and sold securities to investors in connection with a purported “day trading” program. During the relevant period, Walters was not registered with the Commission in any capacity. Walters acted as an unregistered broker in these offers and sales in violation of Section 15(a) of the Exchange Act by: (1) soliciting investors to purchase securities; (2) negotiating the terms of sales to investors; and (3) receiving and handling investor funds. In connection with these offers and sales, Walters also received compensation tied to particular investments because he used the investor funds received for his personal expenses. During the same period, Walters acted as an investment adviser to the pooled day trading funds because he, for compensation, engaged in the business of advising the funds as to their purchase and sale of securities.

B. RESPONDENT’S CRIMINAL CONVICTION

3. On April 15, 2011, Walters pleaded guilty to multiple counts of securities fraud and theft before the Colorado District Court. People v. Walters, Colo. Dist. Ct. Case No. 07-CR-408. On April 29, 2013, a judgment of conviction in the criminal case was entered against Walters. He was sentenced to a prison term of 40 years and ordered to make restitution in the amount of \$9.5 million.

4. The counts of the criminal information to which Walters pleaded guilty alleged, among other things, that between 2001 and at least 2006, Walters defrauded investors by soliciting money for his purported “day trading” program through Samurai and Mana Trading. The indictment further alleged that the Samurai and Mana trading investments offered and sold by Walter, evidenced in part by promissory notes, involved the purchase and sale of securities. The indictment alleged that most of the investor tor funds were used by Walters for personal purposes and to make ostensible “interest payments” and payouts to other investors. The indictment further alleged that Walters made false and misleading statements to investors about the rates of return of his program, and failed to disclose to investors his trading losses and his use of investor funds to pay other investors.

III.

In view of the allegations made by the Division of Enforcement, the Commission deems it necessary and appropriate in the public interest that public administrative proceedings be instituted to determine:

A. Whether the allegations set forth in Section II hereof are true and, in connection therewith, to afford Respondent an opportunity to establish any defenses to such allegations;

B. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 15(b) of the Exchange Act;

C. What, if any, remedial action is appropriate in the public interest against Respondent pursuant to Section 203(f) of the Advisers Act; and

IV.

IT IS ORDERED that a public hearing for the purpose of taking evidence on the questions set forth in Section III hereof shall be convened at a time and place to be fixed, and before an Administrative Law Judge to be designated by further order as provided by Rule 110 of the Commission's Rules of Practice, 17 C.F.R. § 201.110.

IT IS FURTHER ORDERED that Respondent shall file an Answer to the allegations contained in this Order within twenty (20) days after service of this Order, as provided by Rule 220 of the Commission's Rules of Practice, 17 C.F.R. § 201.220.

If Respondent fails to file the directed answer, or fails to appear at a hearing after being duly notified, the Respondent may be deemed in default and the proceedings may be determined against him upon consideration of this Order, the allegations of which may be deemed to be true as provided by Rules 155(a), 220(f), 221(f) and 310 of the Commission's Rules of Practice, 17 C.F.R. §§ 201.155(a), 201.220(f), 201.221(f) and 201.310.

This Order shall be served forthwith upon Respondent personally or by certified mail.

IT IS FURTHER ORDERED that the Administrative Law Judge shall issue an initial decision no later than 210 days from the date of service of this Order, pursuant to Rule 360(a)(2) of the Commission's Rules of Practice.

In the absence of an appropriate waiver, no officer or employee of the Commission engaged in the performance of investigative or prosecuting functions in this or any factually related proceeding will be permitted to participate or advise in the decision of this matter, except as witness or counsel in proceedings held pursuant to notice. Since this proceeding is not "rule making" within the meaning of Section 551 of the Administrative Procedure Act, it is not deemed subject to the provisions of Section 553 delaying the effective date of any final Commission action.

By the Commission.

Brent J. Fields
Secretary