

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 74376 / February 25, 2015

INVESTMENT ADVISERS ACT OF 1940
Release No. 4035 / February 25, 2015

ADMINISTRATIVE PROCEEDING
File No. 3-16162

In the Matter of

WILLIAM L. WALTERS,

Respondent.

**ORDER MAKING FINDINGS AND
IMPOSING REMEDIAL SANCTIONS**

I.

The Securities and Exchange Commission (“Commission”) previously instituted public administrative proceedings 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”).

II.

Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, Respondent admits the Commission’s jurisdiction over him and the subject matter of these proceedings, and the findings contained in Sections III.3. and III.4. below, and consents to the entry of this Order Making Findings and Imposing Remedial Sanctions (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds that:

1. Walters, age 49, 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.

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, 2011, 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.

IV.

In view of the foregoing, the Commission deems it appropriate and in the public interest to impose the sanctions agreed to in Respondent Walter’s Offer.

Accordingly, it is hereby ORDERED pursuant to Section 15(b)(6) of the Exchange Act and Section 203(f) of the Advisers Act, that Respondent Walters be, and hereby is barred from association with any broker, dealer, investment adviser, municipal securities dealer, municipal advisor, transfer agent, or nationally recognized statistical rating organization; and

Pursuant to Section 15(b)(6) of the Exchange Act Respondent Walters be, and hereby is barred from participating in any offering of a penny stock, including: acting as a promoter, finder, consultant, agent, or other person who engages in activities with a broker, dealer, or issuer for

purposes of the issuance or trading in any penny stock, or inducing or attempting to induce the purchase or sale of any penny stock.

Any reapplication for association by the Respondent will be subject to the applicable laws and regulations governing the reentry process, and reentry may be conditioned upon a number of factors, including, but not limited to, the satisfaction of any or all of the following: (a) any disgorgement ordered against the Respondent, whether or not the Commission has fully or partially waived payment of such disgorgement; (b) any arbitration award related to the conduct that served as the basis for the Commission order; (c) any self-regulatory organization arbitration award to a customer, whether or not related to the conduct that served as the basis for the Commission order; and (d) any restitution order by a self-regulatory organization, whether or not related to the conduct that served as the basis for the Commission order.

By the Commission.

Brent J. Fields
Secretary