



COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2017-AH-00028

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

AGREED ORDER

CASHEL FINANCIAL ADVISORS, LLC

RESPONDENT

FACTUAL BACKGROUND

1. The Kentucky Department of Financial Institutions, (“DFI”) is responsible for administering the provisions of Kentucky Revised Statutes (KRS) Chapter 292, the Securities Act of Kentucky (“the Act”), as well as any applicable rules and regulations enacted thereunder.

2. Cashel Financial Advisors, LLC (hereafter “Cashel”), with a business address of 2011 Eastern Parkway, Louisville, KY 40204 is registered as an Investment Adviser with the DFI under CRD # 151166. Mr. Thomas Walsh is a Managing Member and investment adviser representative of Cashel.

3. DFI conducted a routine examination of Cashel on March 31st, 2016. During the examination, DFI discovered Cashel had deficiencies that needed to be addressed. These deficiencies were similar to deficiencies noted and addressed by DFI in the DFI March 7, 2013 and September 24, 2014 examination’s Statement of Findings letters.

4. The March 31st, 2016 examination by DFI identified the following deficiencies:

a. Cashel failed to maintain true, accurate and current books and records which include general and auxiliary ledgers reflecting assets, liabilities, reserves, capital, income and expense accounts in accordance with 808 KAR 10:110,

b. Cashel's financial statements were not prepared in accordance with generally accepted accounting principles (GAAP) as required by KRS 292.500(5),

c. Cashel failed to maintain the required \$10,000 net worth in accordance with 808 KAR 10:200 Section 3(3)(a),

d. Cashel failed to notify the commissioner of the net worth deficiency pursuant to 808 KAR 10:200 Section 3(7),

e. Cashel failed to maintain assets under management documentation, as supporting documentation to the monthly net worth computations, as required by 808 KAR 10:200 Section 3(6).

5. Based upon the facts as set forth in paragraphs three (3) and four (4), the DFI alleged that Cashel violated the provisions of 808 KAR 10:110, 808 KAR 10:200 Section 3(3)(a), 808 KAR 10:200 Section 3(7), 808 KAR 10:200 Section 3(6) and KRS 292.500(5) as stated above.

6. The DFI possesses a range of administrative authority in addressing compliance with the Act, including the ability to enter into Agreed Orders. (See KRS 292.500)

7. To resolve this matter without litigation or adversary proceedings, the DFI and Cashel agree to compromise and settle all claims arising from the above referenced factual background in accordance with the terms set forth herein.

ACTIONS FOR COMPLIANCE AND SETTLEMENT

The DFI and Cashel, in the interest of economically and efficiently resolving this matter, agree as follows.

8. Cashel shall comply with the Act.

9. Cashel waives its right to demand a hearing at which it would be entitled to legal representation, to confront and cross examine witnesses, and to present evidence on its behalf, or to otherwise appeal or set aside this Agreed Order.

10. Cashel consents to and acknowledges the jurisdiction of the DFI over this matter. This Order is a matter of public record and may be disseminated as such.

11. In consideration of the execution of this Agreed Order, Cashel for itself, and for its successors and assigns, hereby releases and forever discharges the Commonwealth of Kentucky, the DFI, Office of Legal Services, and each of their members, agents, and employees in their individual capacities, from any and all manner of actions, causes of action, suits, debts, judgments, executions, claims and demands whatsoever, known and unknown, in law or equity, that Cashel ever had, now have, may have or claim to have against any or all of the persons or entities named in this paragraph arising out of or by reason of this settlement.

12. Cashel agrees to pay a fine in the amount of Three Thousand Five Hundred dollars (\$3,500.00) as full settlement of this matter.

13. Cashel agrees to pay the fine no later than the effective date of the Agreed Order, which shall be in the form of a certified check or money order made payable to the "Kentucky State Treasurer" and mailed to the Department of Financial Institutions, Attn: Securities Division, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601. Failure to do so shall render the agreement void.

14. By signing below, the parties acknowledge they have read the foregoing Agreed Order, know and fully understand its contents, and that they are authorized to enter into and execute this Agreed Order and legally bind their respective parties. This Agreed Order shall constitute the final resolution of this matter.

AGREED on this the 12th day of May, 2017



CHARLES A. VICE
COMMISSIONER

Certificate of Service

I, Allison Evans, hereby certify that a copy of the foregoing **Agreed Order** was sent on this the 12 day of May, 2017, by first class mail to:

Mr. Thomas E. Walsh
Managing Member
Cashel Financial Advisors, LLC
2011 Eastern Parkway
Louisville, KY 40204

hand delivered to:

Catherine Falconer, attorney
Kentucky Department of Financial Institutions
1025 Capitol Center Drive, Suite 200
Frankfort, KY 40601

Allison Evans

KY Department of Financial Institutions

Name: Allison Evans

Title: Executive Staff Advisor