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IN THE MATTER OF THE INVESTMENT ADVISER REGISTRATION OF XENITH FINANCIAL ADVISORY SERVICES, LLC AND THE INVESTMENT ADVISER REPRESENTATIVE REGISTRATION OF TIMOTHY DOUGLAS WALSH	§ § § § § § §	**Order No. LID-26-SUS-04**

TO: Xenith Financial Advisory Services, LLC (CRD No. 296479)
4105 Patricias Rdg
Fort Worth, Texas 76126

Timothy Douglas Walsh (CRD No. 4666856)
4105 Patricias Rdg
Fort Worth, Texas 76126

DISCIPLINARY ORDER

Be it remembered that Xenith Financial Advisory Services, LLC ("Respondent Xenith") and Timothy Douglas Walsh ("Respondent Walsh"), (collectively, "Respondents") appeared before the Securities Commissioner of the State of Texas ("Securities Commissioner") and consented to the entry of this order ("Order"), the Findings of Fact, the Conclusions of Law, and the Undertaking incorporated by reference herein.

OVERVIEW

Beginning on or around March 6, 2023, Respondents utilized a trading strategy that included concentrating up to 98% of clients' account holdings and, in some cases, a client's entire amount of investable assets, in one stock for clients sharing similar financial goals and an "adventurous" risk profile regardless of varying other factors of those clients' financial profile information. The trading strategy's goal, in part, was to gain a certain percentage of growth in clients' accounts within a certain time frame based on the clients' agreed-upon needs. Ideally, once Respondent Walsh identified a stock to trade that fit the Respondents' criteria for its clients who indicated a certain risk profile and financial goal, Respondent Walsh would block trade that stock in clients' accounts and sell the stocks within fourteen (14) days or less to achieve anywhere between a one (1) and four (4) percent gain.

One of the stocks that Respondent Xenith traded, SolarEdge Technologies (SEDG), dropped seventy-one percent (71%) in share price in 2023 and eighty-five percent (85%) in share price in 2024. Respondent Xenith held between ninety-seven percent (97%) to ninety-eight percent (98%) of certain clients' account holdings in SEDG. Because of the large drops in share price for SEDG in 2023 and 2024, Respondents then informed clients of their backup trading strategy (referred by the Respondents to their clients as the "Plan B" method) in its September and December 2023 newsletters. Plan B consisted of selling roughly half of the shares of SEDG purchased in client accounts and then buying additional shares back at that lower price in order to accumulate additional shares with the anticipated goal that the stock price would eventually rise and the client's account would then have increased shares, making up for any losses because the stock increased in price and additional shares were purchased. In the December 2023 newsletter, Respondents stated that the half of shares that would get bought and sold would be done consistently over the next few quarters to take advantage of the lower share price and the short-term price movements. Between September and December 2023, Respondents bought and sold roughly half the shares in certain clients' accounts once. And notably, between December 2023 and November 2024, Respondents sold SEDG in only two (2) client accounts and there were no additional buys of SEDG in any client accounts.

While Respondents utilized the trading strategy in all client accounts, Staff identified seventeen (17) clients who, as of November 2025, lost approximately $2,233,050 as a result of Respondents' trading between March 2023 and November 2025. Respondents traded SEDG in fifteen (15) of the seventeen (17) clients' accounts Staff identified, in which Respondents concentrated many of these accounts' holdings between ninety-seven percent (97%) to ninety-eight (98%) in SEDG. Many of the clients that Respondent traded SEDG in their accounts were also at or near retirement age, were not high net worth individuals, and had invested a majority of their investable assets in SEDG. Two (2) of the seventeen (17) clients Staff identified were invested in JinkoSolar Holding Co., Ltd (JKS) and Daqo New Energy Corp (DQ) stock but again, were also at or near retirement age, were not high net worth individuals, and had invested ninety-seven percent (97%) of their investable assets in one stock. Accordingly, Respondents agreed to a six (6) month suspension of their registrations as an investment adviser and investment adviser representative with the Securities Commissioner and to comply with the Undertaking incorporated by reference herein in which Respondents undertake and agree to repay certain clients that experienced substantial losses due to Respondents' trading strategy and which also sets forth terms related to Respondents' ordered suspension.

FINDINGS OF FACT

1. Respondents have waived (a) Respondents' rights to notice and hearing in this matter; (b) Respondents' rights to appear and present evidence in this matter; (c) Respondents' rights to appeal this Order; and (d) all other procedural rights granted to the Respondents by The Securities Act, Tex. Gov't Code §§ 4001.001-

4008.105 (“Texas Securities Act”), and the Administrative Procedure Act, Tex. Gov’t Code Ann. §§ 2001.001-2001.903.

2. Respondent Xenith is a for-profit limited liability company formed in Texas on April 6, 2018.

3. Respondent Walsh is an individual who is the managing member, Chief Compliance Officer, and an investment adviser representative of Respondent Xenith.

4. Respondents have been registered as an investment adviser and investment adviser representative, respectively, with the Securities Commissioner since July 17, 2018.

5. On June 6, 2025, Respondent Walsh’s Form U4 was updated via the Central Registration Depository System (“CRD”) to reflect a customer complaint disclosure (the “Customer Complaint”).

6. The Customer Complaint stated that Respondent Walsh “fail[ed] to manage portfolio in light of their age, investment objectives, and risk tolerances.”[1]

7. And on July 7, 2025, staff of the Texas State Securities Board (“Staff”) initiated an investigation of the Customer Complaint.

Respondents utilized a trading strategy that included concentrating up to 98% of clients’ account holdings and, in some cases, a client’s entire amount of their investable assets, in one stock for clients sharing similar financial goals and having an “adventurous” risk profile regardless of other varying factors of those clients’ financial profile information.

8. Respondents’ trading strategy goal was to gain a certain percentage of growth in clients’ accounts within a certain time frame based on the clients’ needs. For example, if a client wanted to retire within ten (10) years, Respondents would tailor the trading strategy to achieve a certain percentage of growth in the client’s account over that ten (10) year period.

9. Respondents utilized the same trading strategy for clients sharing similar financial goals based on what the client indicated to Respondents having an “adventurous” risk profile, regardless of the client’s varying financial profile information (i.e. annual income, net worth, liquid net worth, age investment objectives, investment experience, etc.).[2]

[1] The Customer Complaint indicated that the event date was July 11, 2024, the settlement date was March 12, 2025, and the complainants received $135,500.00 for the settlement.

[2] Of the investment contracts between the clients and Respondent Xenith reviewed by Staff in connection with the investigation, the client profiles ranged vastly (i.e. dates of birth between 1942 and 1998; varying occupations including being retired, pastors, and engineers; annual income under $25,000 to as much as

10. During 2024, Respondents' trading strategy also included holding clients' account holdings in cash for most of the year until Respondents identified a particular stock to trade that fit the Respondents' criteria.

11. Once Respondents identified the stock(s) to trade, Respondent Walsh would block trade that stock(s) in clients' accounts, grouping the client accounts by account holdings value,[3] and then sell the stocks within fourteen (14) days or less to achieve anywhere between a one (1) and four (4) percent gain.

12. One of the stocks Respondents utilized to effectuate the trading strategy was SolarEdge Technologies (SEDG).[4][5]

13. On or around March 6, 2023, Respondents concentrated ninety-seven percent (97%) to ninety-eight percent (98%) of certain clients' account holdings in SEDG. And for other clients, Respondents concentrated their entire amount of investable assets in SEDG.

14. Between March 6, 2023, to the end of 2023, SEDG experienced a total drop in share price of approximately seventy-one percent (71%).[6]

15. And in 2024, the share price for SEDG dropped by approximately eighty-five percent (85%).[7]

16. Then in 2025, the share price for SEDG increased by approximately one-hundred seven percent (107%).[8]

$500,000; net worth under $25,000 to as much as over $3,000,000; and investment objectives between moderate growth and aggressive growth.

[3] Client accounts with larger account values were grouped together to trade one stock while client accounts with smaller account values were group together to trade a different stock.

[4] SolarEdge is a smart energy technology company founded in Israel in 2006.

[5] In May 2026, Pomerantz LLP announced a proposed $55,000,000 class action settlement for SolarEdge Technologies investors who bought shares between February 13, 2023 and October 19, 2023, with a court hearing scheduled for August 24, 2026 to consider approval.

[6] On March 6, 2023, SEDG's average purchase price was $330.58 and dropped to a share price of $93.60 at the end of the year.

[7] In January 2024, SEDG's share price was $93.00 and dropped to a share price of $13.57 at the end of the year.

[8] On January 2, 2025, the share price for SEDG was $14.02 and then increased to $29.02 at the end of the year.

17. And as of May 2026, the share price for SEDG increased from $30.04 per share at the beginning of 2026 to around $73.23 per share.

18. Due to the large drops in share price for SEDG in 2023 and 2024, Respondents informed clients they would begin to implement a backup trading strategy ("Plan B") in their September 19 and December 14, 2023 newsletters.[9]

19. Plan B consisted of selling roughly half of the shares of SEDG purchased in client accounts and then buying additional shares back at that lower price in order to accumulate additional shares with the anticipated goal that the stock price would eventually rise and the client's account would then have increased shares, making up for any losses because the stock increased in price and additional shares were purchased.

20. In the December 14, 2023 newsletter, Respondents stated that the portion of shares, which was approximately half of what clients currently owned, that would get bought and sold would be done so consistently over the next few quarters to take advantage of the lower share prices and the short-term price movements.

21. Between September 19, 2023, when Plan B was first implemented, and December 14, 2023, Respondents bought and sold roughly half the shares in certain clients' accounts once.

22. Notably, between December 14, 2023 and November 25, 2024, sells of SEDG occurred in only two (2) client accounts and there were no additional buys of SEDG in any client accounts.

23. Respondents stated that while the Plan B strategy works more effectively if a client contributes additional funds, it is not required to do so to carry out Plan B.

Staff identified seventeen (17) clients who, as of November 2025,[10] lost approximately $2,233,050 as a result of Respondents' trading strategy (the "Trading Strategy").

24. Beginning on or around March 6, 2023, Respondents began using the Trading Strategy in clients' accounts without any signed written disclosure to those clients.

25. While Respondents utilized the Trading Strategy in all client accounts, Staff identified seventeen (17) clients who, as of November 2025, lost approximately $2,233,050 as a result of the Trading Strategy. [11]

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[9] The Plan B strategy was communicated in the Respondents' September 19 and December 14, 2023 newsletters and also informed clients about other stocks that were experiencing similar volatility to SEDG.

[10] SEDG was trading at $32.81 on November 4, 2025.

[11] The current share price of SEDG, as of July 10, 2026, is $55.25.

26. One of the stocks that Respondents identified to trade was SEDG.

27. Respondents traded SEDG in fifteen (15) of the seventeen (17) clients' accounts identified by Staff. And many of the seventeen (17) accounts were concentrated between ninety-seven percent (97%) to ninety-eight (98%) in SEDG.

28. As a result of Respondents' trading strategy and SEDG's massive drop in share price, by November 2025, these fifteen (15) clients had lost a total of $2,134,074.

29. Notably, many of the clients that Respondent traded SEDG in their accounts were also at or near retirement age, were not high net worth individuals, and had invested a majority of their investable assets in SEDG.

30. For example, Client A is a married couple who were sixty-nine (69) and sixty-eight (68) at the time Respondents traded SEDG in their account. They had an annual income of $25,001 to $50,000, net worth of $200,001 to $500,000, liquid net worth of $50,001 to $200,000, and had a majority of their investable assets held with Respondent Xenith. Respondents concentrated $315,185 of $323,472 or ninety-seven percent (97%) of Client A's account in SEDG across two of their accounts. As of February 5, 2025, Client A had losses approximating $298,439.00. Shortly thereafter, Client A liquidated their account.

31. Another client, Client B, was around fifty-seven (57) years when she opened her account with Respondents and was sixty-one (61) at the time Respondents traded SEDG in her account. She had an annual income of $25,001 to $50,000, net worth of $200,001 to $500,000, liquid net worth of $25,001 to $50,000, had a majority of her investable assets held with Respondent Xenith, and indicated "adventurous" as her risk profile. Respondents concentrated $115,317.00 of $118,279.00, or ninety-seven percent (97%) of Client B's account in SEDG in one of her accounts. As of November 2025, Client B had losses approximating $106,393.00.

32. Another example, Client C, is a married couple who were fifty-four (54) when they opened their account with Respondents and were around fifty-six (56) years old at the time Respondents traded SEDG in their account. They had an annual income of $50,001 to $100,000, net worth of $200,001 to $500,000, liquid net worth of $25,001 to $50,000, had a majority of their investable assets held with Respondent Xenith, and indicated "adventurous" as their risk profile. Respondents concentrated $107,095.00 of $110,764.00, or ninety-seven percent (97%) of Client C's account in SEDG in one of their accounts. As of November 2025, Client C had losses approximating $126,137.00.

33. Client D is also a married couple who were fifty-five (55) when they opened their account with Respondents and were around fifty-nine (59) years old at the time Respondents traded SEDG in their account. They had an annual income of $100,001 to $250,000, net worth of $500,001 to $1,000,000, and a liquid net worth of $50,001 to $200,000, had a majority of their investable assets held with

Respondent Xenith, and indicated "adventurous" as their risk profile. Respondents concentrated $178,357.00 of 181,514.00, or ninety-eight percent (98%) of Client D's account holdings in SEDG in one of their accounts. As of November 2025, Client D had losses approximating $201,341.00.

34. Yet another example, Client E, is another married couple who were around sixty-six (66) when they opened their account with Respondents and were sixty-nine (69) years old at the time Respondents traded SEDG in their account. They had an annual income of $100,001 to $250,000, net worth of $200,001 to $500,000, liquid net worth of $25,001 to $50,000, had a majority of their investable assets held with Respondent Xenith, and indicated "adventurous" as their risk profile. Respondents concentrated $82,995.00 of $86,041.00, or ninety-six percent (96%) of Client E's account holdings in SEDG in one of their accounts. As of November 2025, Client E had losses around $77,020.00.

35. And another example, Client F, was fifty-five (55) when he opened his account with Respondents and was fifty-six (56) years old at the time Respondents traded SEDG in his account. He had an annual income of $50,001 to $100,000, net worth of $200,001 to $500,000, liquid net worth of $50,001 to $200,000, had a majority of his investable assets held with Respondent Xenith, and indicated "adventurous" as his risk profile. Respondents concentrated $97,934.00 of $100,165.00, or ninety-seven percent (97%) of Client F's account holdings in SEDG in one of his accounts. As of November 2025, Client F had unrealized losses around $100,948.00.

36. Respondents also traded SEDG in one of the accounts for the clients from the previously mentioned Customer Complaint ("Complainants"). The Complainants are a married couple who were around seventy-three (73) years old at the time Respondents traded SEDG in their account, The Complainants were retired, had an annual income of $50,001 to $100,000, net worth of $200,001 to $500,000, liquid net worth of under $25,000, and had a majority of their investable assets held with Respondent Xenith. Respondents concentrated $109,501 of $111,796, or 98% of the Complainants' account holdings in SEDG in one of their accounts. As of September 2024, when the Complainants transferred out their accounts from Xenith, they had losses around $106,368.

37. Two (2) of the seventeen (17) clients Staff identified were invested in JinkoSolar Holding Co., Ltd (JKS)[12] and Daqo New Energy Corp (DQ)[13] stock but again, were

[12] JKS is a solar module manufacturer headquartered in Shanghai, China. On March 6, 2023, JKS' purchase price was $57.94 per share and dropped to $36.63 per share at the end of the year. Then in 2024, JKS' stock price started at $36.05 per share and further dropped to $24.42 per share at the end of the year. In 2025, JKS' stock price started at $25.01 per share and was $25.74 per share at the end of the year. As of May 2026, JKS' stock price was around $22.84.

[13] DQ is a Chinese company engaged in the manufacture of monocrystalline silicon and polysilicon, primarily for the use in solar photovoltaic systems. On June 23, 2023, DQ's purchase price was $37.89 per share and dropped to $26.60 per share at the end of the year. Then in 2024, DQ's stock price dropped from $25.18 per share to $19.44 per share at the end of the year. In 2025, DQ's stock price

also at or near retirement age, were not high net worth individuals, and had invested a majority of their investable assets trading in one stock.

38. For example, Client G was sixty-nine (69) when she opened her account with Respondents and was seventy-one (71) years old at the time Respondents traded DQ in her account. They were retired, had an annual income of $50,001 to $100,000, net worth of $50,001 to $200,000, liquid net worth of $50,001 to $200,000, had a majority of her investable assets held with Respondent Xenith, and indicated "adventurous" as her risk profile. Respondents concentrated $166,120.00 of $170,595.00, or ninety-seven percent (97%) of her account holdings in DQ. As of November 2025, Client G had losses around $89,718.00.

39. And finally, Client H is a married couple who was around seventy-two (72) when they opened their account with Respondents and were seventy-three (73) years old at the time Respondents traded JKS in their account. They had an annual income of $50,001 to $100,000, net worth of $50,001 to $200,000, liquid net worth of $25,001 to $50,000, had a majority of their investable assets held with Respondent Xenith, and indicated "adventurous" as their risk profile. Respondents concentrated $24,915.00 of $25,522.00, or ninety-seven (97%) of Client H's account in JKS in two of their accounts.

40. Between March 2023 and November 2025, the seventeen (17) clients identified by Staff lost $2,233,050.00 as a result of Respondents' trading strategy.

CONCLUSIONS OF LAW

1. Respondent Xenith's utilization of a trading strategy that included concentrating up to ninety-eight percent (98%) of clients' account holdings and, in some cases, a client's entire amount of investable assets, in one stock for clients sharing similar financial goals and having an "adventurous" risk profile regardless of other varying factors of those clients' financial profile information was unsuitable and constitutes an inequitable practice in rendering services as an investment adviser.

2. Respondent Xenith's utilization of the trading strategy which included holding ninety-seven percent (97%) to ninety-eight percent (98%) of account holdings in certain clients' accounts who were at or near retirement age and not high net worth individuals was unsuitable and constitutes an inequitable practice in rendering services as an investment adviser.

4. Respondent Walsh's utilization of Respondent Xenith's trading strategy that included concentrating up to ninety-eight percent (98%) of clients' account holdings in one stock and, in some cases, a client's entire amount of investable assets, for clients who all indicated to Respondents similar financial goals and an

started at $19.37 per share and increased to $29.21 per share at the end of the year. As of May 2026, DQ's stock price was around $16.95.

"adventurous" risk profile despite other varying factors of those clients' financial profile information was unsuitable and constitutes an inequitable practice in rendering services as an investment adviser representative.

5. Respondent Walsh's utilization of Respondent Xenith's trading strategy which included holding ninety-seven percent (97%) to ninety-eight percent (98%) of account holdings in certain clients' accounts who were at or near retirement age and not high net worth individuals was unsuitable and constitutes an inequitable practice in rendering services as an investment adviser.

6. Pursuant to Section 4007.105(a)(13)(A) of the Texas Securities Act, the aforementioned inequitable practices in rendering services as an investment adviser and investment adviser representative constitute bases for the issuance of an order suspending Respondent Xenith's and Respondent Walsh's registration as an investment adviser and investment adviser representative, respectively, with the Securities Commissioner.

7. Pursuant to Section 4007.108 of the Texas Securities Act, the Securities Commissioner may order a dealer, agent, investment adviser, or investment adviser representative to pay a refund to a client or a purchaser of securities or services from the person or company as provided in an agreed order or an enforcement order instead of or in addition to imposing an administrative penalty or other sanctions.

ORDER

1. It is ORDERED that the registration of Xenith Financial Advisory Services, LLC as an investment adviser with the Securities Commissioner is hereby SUSPENDED for a period of six (6) months.

2. It is further ORDERED that the registration of Timothy Douglas Walsh as an investment adviser representative with the Securities Commissioner is hereby SUSPENDED for a period of six (6) months.

3. I t is further ORDERED that Xenith Financial Advisory Services, LLC and Timothy Douglas Walsh COMPLY with the terms of the Undertaking incorporated by reference herein in which Respondents undertake and agree to repay certain clients that experienced substantial losses due to Respondents' Trading Strategy and which also sets forth terms related to Respondents' ordered suspension.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 28th day of August, 2026.

JEREMY E. HEINTZ
Securities Commissioner

Respondents:

Xenith Financial Advisory Services, LLC
By: Timothy Douglas Walsh,
Owner

Timothy Douglas Walsh,
Individually

Approved as to Form:

Cristi R. Ochoa,
Deputy Securities Commissioner

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