



Department of Justice

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Jury Finds Lexington Investment Advisor and Attorney Guilty of Charges Related to Investment Fraud

LEXINGTON, Ky. - A Lexington investment advisor and attorney, Douglas Hawkins, of Richmond, Ky., was found guilty late Friday, by a federal jury sitting in Lexington, of investment advisor fraud, securities fraud, and two counts of mail fraud.

According to the evidence at trial, while operating as an investment advisor, Hawkins encouraged his clients to invest in securities, which were properties in Jackson, Mississippi. Clients invested over \$2 million in the properties. Hawkins withheld vital information about the properties when advising his clients to invest, including that many were uninhabitable, rent collection was burdensome, and that the properties were often subject to theft and vandalism. He also failed to inform his clients that their investment money would be used for purposes other than their properties, including paying other investors and buying a Harley Davidson for an employee.

Hawkins was indicted in October 2021.

Carlton S. Shier, IV, United States Attorney for the Eastern District of Kentucky; Kyle Erhardt, Special Agent in Charge, United States Postal Inspection Service; and Justin Malcom Burse, Acting Commissioner, Kentucky Department of Financial Institutions, jointly announced the guilty verdict.

The investigation was conducted by the United States Postal Inspection Service and Kentucky Department of Financial Institutions. The United States was represented in the case by Assistant U.S. Attorneys Andrea Mattingly-Williams and Will Moynahan.

Hawkins is scheduled to appear for sentencing on April 24, 2023. He faces up to five years in prison on the investment advisor count; up to 20 years in prison on the securities fraud count, and up to 20 years in prison on each count of mail fraud. However, the Court must consider the U.S. Sentencing Guidelines and the applicable federal sentencing statutes before imposing a sentence. Hawkins also faces potential fines and a judgment of restitution, as ordered by the Court.

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