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BEFORE THE ARKANSAS SECURITIES COMMISSIONER

CASE NO S-16-0097

ORDER NO. S-16-0097-16-OR01

18 DEC 30 PM 2: 04

ARKANSAS SECURITIES DEPT.

**IN THE MATTER OF:
JOE DON TREECE**

RESPONDENT

CONSENT ORDER

This Consent Order is entered pursuant to the Arkansas Securities Act, codified at Ark. Code Ann. §§ 23-42-101 through 23-42-509 (“Act”), the Rules of the Arkansas Securities Commissioner (“Rules”) promulgated under the Act, and the Arkansas Administrative Procedures Act, codified at Ark. Code Ann. §§ 25-15-201 through 25-15-219, in accordance with an agreement by and between the Staff of the Arkansas Securities Department (“Staff”) and Joe Don Treece (“Treece”) in full and final settlement of all claims that could be brought against Treece by the Staff on the basis of the facts set forth herein.

Treece admits the jurisdiction of the Act and the Arkansas Securities Commissioner (“Commissioner”), waives his right to a formal hearing and appeal, and admits the findings of fact made herein, consents to the entry of this order and agrees to abide by its terms in settlement of any possible violations committed by Treece concerning the matters detailed in this order.

FINDINGS OF FACT

1. Treece, CRD number 2925735, was registered with the Arkansas Securities Department (“Department”) as an agent of Morgan Stanley Smith Barney, Raymond James & Associates, Inc. and Arvest Wealth Management (“Arvest”).
2. Initially, Treece borrowed \$4,000 from his client, Arkansas Resident one (“AR1”). While Treece did repay said loan to AR1, Treece’s repayment was slower than agreed. In or about

2010, Treece borrowed another \$2,500 from AR1. In spite of an agreement to repay this loan to AR1 within three months, Treece did not entirely repay this loan to AR1 until August 2015.

3. Treece borrowed from and owed money to AR1 without the knowledge of his employers Morgan Stanley Smith Barney, Raymond James & Associates, Inc. and Arvest. On June 17, 2013, Treece became registered with the Department as an agent of Arvest. In addition, on January 9, 2015, Treece became registered with the Department as a representative of Arvest. Once Arvest learned about Treece borrowing from and owing money to AR1, Arvest conducted an internal investigation. Since Treece had violated Arvest's compliance policy by borrowing from and owing money to AR1, Arvest fired Treece. On December 18, 2015, Arvest terminated Treece's registrations with the Department.

APPLICABLE LAW

4. Ark. Code Ann. § 23-42-308(a)(2)(G) states that the Commissioner may by order suspend or revoke any registration, if he finds that the registrant has engaged in dishonest or unethical practices in the securities business.

5. Rule 308.01(p) states that it is grounds to suspend or revoke an agent's registration for borrowing customer's funds.

6. Rule 308.02(f) states that it is grounds to suspend or revoke a representative's registration for borrowing money or anything of value from a client unless the client is a broker-dealer, an affiliate investment adviser, or a financial institution engaged in the business of loaning funds.

7. Rule 308.01(y) states that the unfair, misleading or unethical practices set forth above are not exclusive of other activities, which shall be considered grounds for revocation and the Commissioner may revoke a registration when necessary or appropriate in the public interest.

8. Rule 308.02(y) states that it is grounds to suspend or revoke a representative's registration for other fraudulent, deceptive, dishonest or unethical practices. The activities set forth above are not inclusive. Any other activities employing any device, scheme or artifice to defraud or engaging in any act, practice or course of business that operates or would operate as a fraud or deceit shall constitute grounds for revocation under Section 23-42-38 of the Act.

CONCLUSIONS OF LAW

9. Treece violated Ark. Code Ann. § 23-42-308(a)(2)(G) and Rule 308.01(p), when Treece borrowed from and owed money to AR1 as detailed in paragraph two.

10. Treece violated Ark. Code Ann. § 23-42-308(a)(2)(G) and Rule 308.02(f) of the Rules, when Treece borrowed from and owed money to AR1 as detailed in paragraph two.

11. Treece violated Ark. Code Ann. § 23-42-308(a)(2)(G) and Rule 308.01(y), when Treece violated his employer's compliance policy concerning borrowing from and owing money to a client as detailed in paragraphs two and three.

12. Treece violated Ark. Code Ann. § 23-42-308(a)(2)(G) and Rule 308.02(y) of the Rules, when Treece violated his employer's compliance policy concerning borrowing from and owing money to a client as detailed in paragraphs two and three.

13. The registrations of Treece should be revoked by the Commissioner pursuant to Ark. Code Ann. § 23-42-308(a)(2)(G), Rule 308.01(p), Rule 308.02(f), Rule 308.01(y), and Rule 308.02(y).

OPINION

This order is in the public interest. The facts as set out in paragraphs one through three support the violations of the Act and the Rules as set out in paragraphs nine through twelve.

ORDER

IT IS THEREFORE ORDERED that Treece's registrations as an agent of a broker-dealer and the representative of an investment adviser are hereby revoked.

WITNESS MY HAND AND SEAL on this 30th day of December, 2016.



B. Edmond Waters
Arkansas Securities Commissioner


APPROVED AS TO CONTENT
AND FORM:



Joe Don Treece, the Respondent

12-23-16

Date



Scott Freydl, Staff Attorney
Arkansas Securities Department

12/30/16

Date