

BEFORE THE ARKANSAS SECURITIES COMMISSIONER
CASE NO S-16-0097

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ARKANSAS SECURITIES DEPT.

IN THE MATTER OF:
JOE DON TREECE

RESPONDENT

COMPLAINT FOR REVOCATION OF REGISTRATIONS
AND IMPOSITION OF FINES

The Staff of the Arkansas Securities Department ("Staff") by and through its attorney, Scott Freydl, for its Complaint for Revocation of the Registrations and Imposition of Fines against Joe Don Treece ("Treece") for violations of the Arkansas Securities Act and the Rules of the Arkansas Securities Commissioner, states:

I. Administrative Authority

This proceeding is instituted pursuant to the Arkansas Securities Act, Ark. Code Ann. §§ 23-42-101 through 23-42-509, ("Act"), the Rules of the Arkansas Securities Commissioner ("Rules") promulgated thereunder, and the Arkansas Administrative Procedure Act, Ark. Code Ann. §§ 25-15-201 through 25-15-219.

II. Respondent

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").

III. Facts to be Presented by the Staff

2. Initially, Treece borrow \$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 April 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.

IV. 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 a 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.

9. Ark. Code Ann. § 23-42-308(g) states that the commissioner may for each violation of this chapter fine any agent of a broker-dealer or any representative of an investment adviser not to exceed ten thousand dollars (\$10,000) or an amount equal to the total amount of money received in connection with each separate violation.

V. Violations of Law

10. 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.

11. 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.

12. 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.

13. 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.

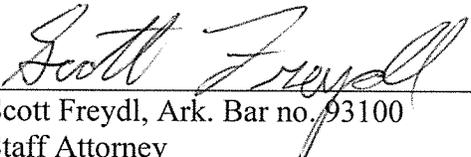
14. The registrations of Treece should be revoked by the Commissioner pursuant to Ark. Code Ann. § 23-42-308(a)(2)(G), Rule 308.01(p), Rule 308.02(f), Rule 308.01(y), and Rule 308.02(y).

15. Pursuant to Ark. Code Ann. § 23-42-308(g), the Commissioner should impose an appropriate fine against Treece.

VI. Notice of Hearing

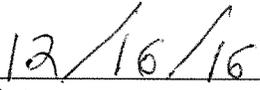
This Complaint hereby serves notice of the institution of formal administrative proceedings against the Respondent, Treece. With the filing of this Complaint the Staff requests that the Arkansas Securities Commissioner set a date for a hearing before the Arkansas Securities Commissioner, pursuant to Rule 607.01, to consider whether the registrations of the Respondent should be revoked, fines should be imposed, and other appropriate action should be taken.

Respectfully Submitted,



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Date