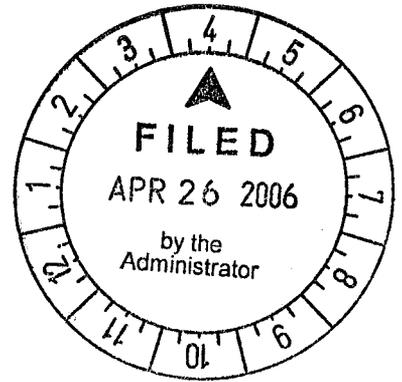


STATE OF OKLAHOMA  
DEPARTMENT OF SECURITIES  
FIRST NATIONAL CENTER, SUITE 860  
120 NORTH ROBINSON  
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of:

Joe E. Poe, Jr.  
CRD No. 1650897,

Respondent.

ODS File No. 06-054

**ORDER IMPOSING SANCTIONS AGAINST JOE E. POE, JR.**

On November 23, 2005, the Administrator (Administrator) of the Oklahoma Department of Securities (Department) issued an Enforcement Division Recommendation (Recommendation) and Notice of Intent to Deny or Condition Registration and Opportunity for Hearing (Notice) in the above styled and numbered cause. On December 8, 2005, a response to the Recommendation and a written request for hearing on the Recommendation was received by the Department on behalf of Joe E. Poe, Jr. (Respondent).

The Administrator appointed Norwood Beveridge as Hearing Officer (Hearing Officer) pursuant to Section 1-602 of the Oklahoma Uniform Securities Act of 2004 (Act), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2003), to afford Respondent the opportunity to present evidence and argument as to whether or not an order should be issued based on the Recommendation and to make a recommendation to the Administrator based upon the evidence and legal authority presented. A hearing was held on March 8, 2006.

On April 10, 2006, the Hearing Officer submitted the Hearing Officer's Report and Recommendation, attached hereto and incorporated herein by reference. The Hearing Officer made findings of fact and conclusions of law and recommended administrative action.

The Administrator, being fully advised in this matter, does hereby find that the findings of fact and conclusions of law submitted by the Hearing Officer should be adopted.

**Order**

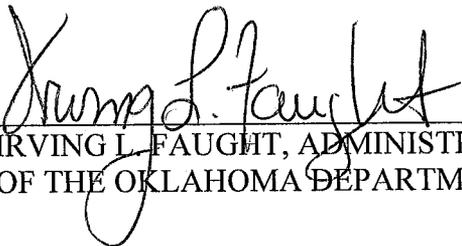
**IT IS HEREBY ORDERED**, that:

1. The findings of fact as submitted by the Hearing Officer are adopted.
2. The conclusions of law as submitted by the Hearing Officer are adopted.

3. Respondent's registration under the Act will be conditioned on a qualified principal, without any reportable items in his or her disciplinary history, supervising Respondent onsite on a day-to-day basis. No relative of Respondent may act as the qualified principal.
4. The supervision required by this Order must be established on or before June 15, 2006, or Respondent's application for registration under the Act will be deemed withdrawn.
5. The supervision required by this Order shall apply to Respondent's pending application for registration and any future applications for registration under the Act.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this 26<sup>th</sup> day of April, 2006.

(SEAL)

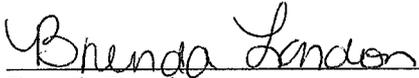
  
\_\_\_\_\_  
IRVING L. FAUGHT, ADMINISTRATOR  
OF THE OKLAHOMA DEPARTMENT OF SECURITIES

CERTIFICATE OF MAILING

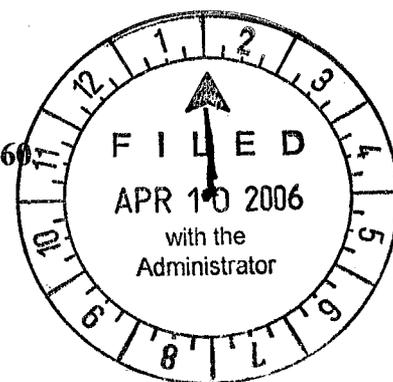
The undersigned hereby certifies that on the 27 day of April, 2006, a true and correct copy of the above and foregoing was mailed by First Class mail, postage prepaid to:

Patricia A. Labarthe  
Oklahoma Department of Securities  
120 North Robinson, Suite 860  
Oklahoma City, OK 73102

Clell I. Cunningham  
Dunn, Swan & Cunningham  
210 Park Avenue, Suite 2800  
Oklahoma City, OK 73102

  
Brenda London  
Paralegal

STATE OF OKLAHOMA  
DEPARTMENT OF SECURITIES  
THE FIRST NATIONAL CENTER, SUITE 860  
120 NORTH ROBINSON  
OKLAHOMA CITY, OKLAHOMA 73102



In the Matter of :

Joe E. Poe, Jr.  
CRD No. 1650897,

Respondent.

ODS File No. 06-054

HEARING OFFICER'S REPORT AND RECOMMENDATION

This matter having been heard before the undersigned hearing officer on March 8, 2006 and a transcript of the hearing having been filed and the parties having filed their post-hearing briefs, I now make the following findings of fact, conclusions of law, and recommended administrative action.

FINDINGS OF FACT

1. During the period May 10, 2004 to August 31, 2005, Respondent Poe ("Mr. Poe") was registered as an agent of Capital Growth Financial LLC ("Capital Growth"). Dept. Exh. 4.
2. In connection with Mr. Poe's registration under Oklahoma law as an agent of Capital Growth, Mr. Poe, Capital Growth, and Andrew C. Garbarini by letter dated May 10, 2004 ("the Undertaking") agreed that Mr. Garbarini would act as Mr. Poe's immediate supervisor at the Midwest City, OK office of CGF Securities, LLC. Dept. Exh. 11.
3. Pursuant to the Undertaking, Mr. Michael B. Falken ("Mr. Falken"), Chief Compliance Officer of Capital Growth, by fax on April 15, 2005 submitted to the Oklahoma Department of Securities ("the Department") a quarterly review report from Mr. Garbarini dated April 13, 2005, which stated that Mr. Poe had been instructed to cease immediately his forwarding of documents directly to the clearing firm First Clearing without sending copies or notification to Capital Growth as required by Capital Growth firm policy. Dept. Exh. 12.
4. Pursuant to the Undertaking, Mr. Falken by fax on July 20, 2005 submitted to the Department a quarterly review report from Mr. Garbarini also dated July 20, 2005, which stated that Mr. Poe had violated industry regulations and firm policy by engaging in private securities transactions with clients without prior notification to and permission of Capital Growth. Dept. Exh. 12.

5. The July 20, 2005 quarterly report included a Letter of Caution dated May 12, 2005 from Mr. Falken to Mr. Poe stating that Mr. Poe had violated NASD Rule 3040(d), "Transactions Not for Compensation" and Sec. 8.4.14 of Capital Growth's Written Supervisory Procedures by engaging in private securities transactions without the firm's prior knowledge or consent and that in the event of any further violation of firm policy or NASD Rule, Mr. Poe may be terminated for cause. Dept. Exh. 12.
6. By letter dated August 31, 2005, the Department notified Capital Growth that pursuant to the Undertaking, since Mr. Poe had violated the firm's policy and NASD Rule 3040 by engaging in unauthorized private securities transactions, Capital Growth was obliged either to place a qualified principal in the Midwest City Office to supervise Mr. Poe on a day-to-day basis or close that office. Dept. Exh. 29.
7. Mr. Poe resigned his registration with Capital Growth that same day, August 31, 2005. Dept. Exh. 4.
8. During the period that he was registered with Capital Growth, Mr. Poe was under heightened supervision with conditions on his securities registrations with the states of Texas, New Jersey, Nebraska, and Oklahoma. Dept. Exhs. 9, 10, 11. Transcript pp. 169-70.
9. Mr. Poe consented to the entry of a Disciplinary Order of the State Securities Board of Texas dated April 6, 2002 ("the Texas Disciplinary Order"), without admitting or denying the Findings of Fact and Conclusions of Law therein, and further consented to a reprimand, a thirty day suspension, and a \$5,000. fine. Dept. Exh. 8.
10. The Texas Disciplinary Order found that Mr. Poe had offered for sale and sold securities on behalf of M. G. Securities Group, Inc. in 1998 and on behalf of Premier Capital Management, Inc. in 1999 without being properly registered with the Texas Securities Commissioner as required by law. Dept. Exh. 8.
11. In a Letter of Caution dated February 7, 2001, the NASD by its District Director Bernerd E. Young found that Mr. Poe had violated NASD Rule 1031(a) in that during the period from June 22, 1998 through August 3, 1998 he conducted activities requiring registration while not being registered with his employer M.G. Securities Group, Inc. Dept. Exh. 27.
12. In a letter dated February 26, 2001, Mr. Poe responded to the NASD Letter of Caution dated February 7, 2001 by stating that he is knowledgeable of NASD regulations and requirements and would not in the future engage in Registered Representative activity without proper registration. Dept. Exh. 28.

13. By Letter of Acceptance, Waiver and Consent to the NASD Department of Enforcement, Mr. Poe without admitting or denying the alleged violations, consented to findings that from September 1998 to March 1999 he violated NASD Rules 2110 and 8210 by failing to respond in writing to NASD requests for information and further consented to censure and a \$2,500. fine. Dept. Exh. 20.
14. On January 19, 1999, Mr. Poe was permitted to resign from M. G. Securities Group, Inc. due to repeated failure and refusal to follow. Dept. Exh. 4.
15. By letter received by the NASD on September 20, 1999, Michael Anderson, President of M. G. Securities Group, Inc., transmitted answers to the questionnaire regarding Mr. Poe sent by the NASD on August 27, 1999. Dept. Exh. 26.
16. Mr. Poe did not pass his six-month probationary period review with M. G. Securities Group, Inc., and his employment was terminated for failure to follow repeated instructions of the principals of the firm. Dept. Exh. 26, Answers Para. 5.
17. Mr. Poe did not take direction from his superiors at M. G. Securities Group, Inc, and his tenure with the firm was fraught with his inability to follow directions at even the most basic level. Dept. Exh. 26, Answers Para. 12.
18. On June 12, 1998, Mr. Poe was discharged from his employment at First Financial Investment Securities, Inc. for repeated failure and refusal to follow. Dept. Exh. 4.
19. On August 6, 1996, Mr. Poe pleaded nolo contendere and was convicted of a misdemeanor charge of theft by check under \$20., drawing a \$500. fine, six months probation, \$125. probation fees and 148 hours of community service. Dept. Exhs. 6, 7.
20. Mr. Poe, through his counsel, has stipulated that he violated NASD Rule 3040 through his private securities transactions while employed at Capital Growth. Transcript p. 8.
21. Mr. Poe believes that he has been guilty of only minor, technical violations of the securities laws. Transcript pp. 158-59.
22. Mr. Poe consented to the Texas Disciplinary Order of April 2, 2002 only because it was in his view the quickest and most cost effective way to get his Texas securities license in order. Transcript p. 148.

23. Mr. Poe consented to the Undertaking in the May 10, 2004 agreement with the Department because he thought the Department was concerned about his minor technical violations of the securities laws. Transcript pp. 158-59.
24. Mr. Poe believed that the Undertaking, in requiring no deficiencies in his performance was referring only to major deficiencies, such as a customer complaint. Transcript p. 159.
25. Mr. Poe has demonstrated a pattern of unwillingness or inability to abide by the instructions of his superiors and the requirements of law, applicable regulatory authorities, and the procedures of his employer in the performance of his professional duties. Findings of Fact 1-24 above.
26. Mr. Poe has demonstrated a lack of understanding of the importance of adhering to the requirements of law and the rules of his profession in the discharge of his duties, including those rules he regards as minor and technical. Findings of Fact 1-24 above.
27. Mr. Poe has applied to register in Oklahoma as an agent of Equity Station, Inc., a registered broker-dealer; his application was deemed complete as of October 12, 2005. Enforcement Division Recommendation filed November 23, 2005.
28. The Enforcement Division of the Department has recommended that Mr. Poe's registration in Oklahoma be denied or conditioned. Enforcement Division Recommendation filed November 23, 2005.
29. To the extent that any of these Findings of Fact are more properly characterized as Conclusions of Law, they should be so considered.

#### CONCLUSIONS OF LAW

1. Mr. Poe violated NASD Conduct Rule 3040 while under heightened supervision as an agent of Capital Growth.
2. Mr. Poe has engaged in unethical practices in the securities business.
3. It is in the public interest to condition the registration of Mr. Poe as an agent of Equity Station in the State of Oklahoma by requiring that a qualified principal without any reportable items in his or her disciplinary history supervise Mr. Poe onsite on a day-to day basis.
4. It is not in the public interest to deny the registration of Mr. Poe in the State of Oklahoma.

5. To the extent any of these Conclusions of Law are more properly characterized as Findings of Fact, they should be so considered.

WHEREFORE, it is recommended that the registration of Mr. Poe under the Oklahoma Uniform Securities Act of 2004 be conditioned as outlined above.



Norwood P. Beveridge  
Hearing Officer

April 7, 2006  
Oklahoma City, OK

CERTIFICATION OF COPY

I, the undersigned, do hereby certify that the attached is a true and correct copy of the Hearing Officer's Report and Recommendations dated April 7, 2006 In the Matter of Joe E. Poe, Jr., CRD No. 1650897, ODS File No. 06-054.

  
Norwood P. Beveridge  
Hearing Officer

Subscribed and sworn to before me this 7<sup>th</sup> day of April 2006.

  
Notary Public

My Commission Expires: May 4, 2008  
My Commission No.: 0000 7749

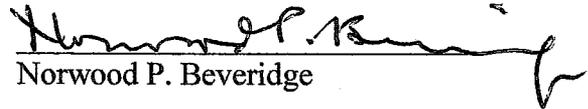


CERTIFICATE OF MAILING

The undersigned hereby certifies that on the 7<sup>th</sup> day of April, 2006, a true and correct copy of the above Hearing Officer's Report and Recommendation dated April 7, 2006 was mailed with postage prepaid addressed to:

Clell I. Cunningham III, Esq.  
Dunn Swan & Cunningham  
2800 Oklahoma Tower  
210 Park Avenue  
Oklahoma City, OK 73102-5604

Patricia A. Labarthe, Esq.  
Oklahoma Department of Securities  
First National Center, Suite 860  
120 North Robinson  
Oklahoma City, OK 73102

  
Norwood P. Beveridge