

FINANCIAL INDUSTRY REGULATORY AUTHORITY
LETTER OF ACCEPTANCE, WAIVER AND CONSENT
NO. 2007008264101

RECEIVED

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REGISTRATION & DISCLOSURE

TO: Department of Enforcement
Financial Industry Regulatory Authority ("FINRA")

RE: [REDACTED], Respondent
CRD No. [REDACTED]

Joe F. Moore, Respondent
General Securities Representative,
General Securities Principal and
General Options Principal
CRD No. 1330414

Pursuant to FINRA Rule 9216 of FINRA's Code of Procedure, Respondents [or Respondent] submit this Letter of Acceptance, Waiver and Consent ("AWC") for the purpose of proposing a settlement of the alleged rule violations described below. This AWC is submitted on the condition that, if accepted, FINRA will not bring any future actions against me alleging violations based on the same factual findings described herein.

I.

ACCEPTANCE AND CONSENT

- A. Respondents hereby accept and consent, without admitting or denying the findings, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, prior to a hearing and without an adjudication of any issue of law or fact, to the entry of the following findings by FINRA:

BACKGROUND

[REDACTED] is a general securities broker-dealer, located in Houston, TX, and has been a FINRA member since April 1994. The firm currently has no branch offices, and seven registered persons.

Joe F. Moore is the President and sole owner of [REDACTED]. Moore was initially registered with FINRA in December 1988, as a General Securities Representative through another member firm. Since July 1999, Moore has been registered in that capacity and as a General Securities Principal and Registered Options Principal with [REDACTED].

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RELEVANT DISCIPLINARY HISTORY

Respondents have no relevant disciplinary history.

OVERVIEW

[REDACTED] acting through its President Joe F. Moore, failed to establish and maintain a system to supervise Timothy Shively,¹ a registered representative employed at the firm, and failed to ensure that the new account forms which Shively submitted contained the required information. In addition, as a condition for Shively's registration with the firm, Moore entered into an Undertaking with the Texas State Securities Board ("TSSB") in which he falsely represented that Shively had not been engaged in a securities business prior to the execution of the Undertaking, when in fact, Shively had been actively conducting stock transactions in Texas customers' accounts for approximately two months.

FACTS AND VIOLATIVE CONDUCT

- A.
1. [REDACTED] acting through Joe Moore, failed to establish and maintain a system to supervise the activities of a registered representative. Timothy Shively. Specifically, Moore failed to take action that was reasonably designed to detect and prevent Shively's excessive and unsuitable trading violations. Moore did not adequately investigate Shively's disciplinary background. Shively's disciplinary history, in addition to the fact that the State of Texas had required an Undertaking by [REDACTED] before registering him, should have alerted the firm to the fact that Shively required heightened supervision; however, [REDACTED] failed to establish procedures addressing heightened supervision and failed to implement heightened supervision of Shively. In addition, Moore unreasonably delegated some of his supervisory responsibilities to an inexperienced, untrained, and unregistered subordinate; and Moore failed to review firm records to learn about the extent of Shively's activities in his customer's accounts.
 2. During the time period from June 2006 through September 2007, twenty-one of the "New Account Forms" completed for Shively's accounts were incomplete, and did not contain the required information regarding financial status, tax status, representative's signature and customer

¹ On October 15, 2008, Timothy Patrick Shively submitted a Letter of Acceptance, Waiver and Consent in which he was barred from association with any FINRA member in any capacity. Without admitting or denying the findings, Shively consented to the described sanction and to the entry of findings that he had made unsuitable recommendations and had churned public customers' accounts. The findings stated that Shively had willfully failed to disclose material information on his Form U4. The findings also stated that Shively failed to respond to, or appear in response to, FINRA requests for testimony. [AWC-2006006615401]

investment objectives. [REDACTED] acting through Moore, failed to supervise Shively by failing to ensure that the new account forms which Shively submitted contained the required information.

Such acts, practices, and conduct constitute separate and distinct violations of SEC Rule 17a-3 and NASD Conduct Rules 3010, 3110, 2310 and 2110 by Respondent [REDACTED]. Such acts, practices, and conduct constitute separate and distinct violations of NASD Conduct Rules 3010, 3110, 2310 and 2110 by Respondent Moore.

3. Based on Shively's disciplinary history, the TSSB did not immediately approve his registration upon its receipt of the Form U4 filed on his behalf by [REDACTED] in May 2006, and eventually only allowed his registration after [REDACTED] agreed to an Undertaking. As part of the Undertaking, signed by Moore on August 11, 2006, Moore falsely represented that Shively had not engaged in a securities business in Texas prior to the execution of that Undertaking. Prior to the signing of the Undertaking, however, and during a period in which Shively's registration was not yet effective with the state, Moore knew that Shively had been actively conducting stock transactions in Texas customers' accounts for a period of two months. In lieu of the commissions Shively inappropriately earned during the two months before the state approved his registration, Moore paid Shively approximately \$20,000 in "consulting fees" through a company called CIC Marketing, Inc.

Such acts, practices, and conduct constitute separate and distinct violations of NASD Conduct Rule 2110 by Respondent Moore.

B. Respondents consent to the imposition of the following sanctions:

Joe F. Moore: A two-year suspension in all capacities and a monetary fine in the amount of \$10,000; and

[REDACTED] Censure and a monetary fine in the amount of \$3,500.²

As to Respondent Joe F. Moore, the fine shall be due and payable either immediately upon reassociation with a member firm following the two-year suspension noted above, or prior to any application or request for relief from any statutory disqualification resulting from this or any other event or proceeding, whichever is earlier.

² Pursuant to the General Principles Applicable to all Sanction Determinations contained in the Sanction Guidelines, FINRA imposed a lower fine in this case after it considered, among other things, the firm's revenues and financial resources. See Notice to Members 06-55.

Respondent Joe F. Moore specifically and voluntarily waives any right to claim that he is unable to pay, now or at any time hereafter, the monetary sanction imposed in this matter.

Respondent Joe F. Moore understands that if he is barred or suspended from associating with any FINRA member, he becomes subject to a statutory disqualification as that term is defined in Section 3(a)(39) of the Securities Exchange Act of 1934, as amended. Accordingly, Respondent Joe F. Moore may not be associated with any FINRA member in any capacity, including clerical or ministerial functions, during the period of the bar or suspension (see FINRA Rules 8310 and 8311).

The sanctions imposed herein shall be effective on a date set by FINRA staff. Pursuant to FINRA Rule 8313(e), a bar or expulsion shall become effective upon approval or acceptance of this AWC.

II.

WAIVER OF PROCEDURAL RIGHTS

Respondents specifically and voluntarily waive the following rights granted under FINRA's Code of Procedure:

- A. To have a Complaint issued specifying the allegations against me;
- B. To be notified of the Complaint and have the opportunity to answer the allegations in writing;
- C. To defend against the allegations in a disciplinary hearing before a hearing panel, to have a written record of the hearing made and to have a written decision issued; and
- D. To appeal any such decision to the National Adjudicatory Council ("NAC") and then to the U.S. Securities and Exchange Commission and a U.S. Court of Appeals.

Further, Respondents specifically and voluntarily waive any right to claim bias or prejudgment of the General Counsel, the NAC, or any member of the NAC, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including acceptance or rejection of this AWC.

Respondents further specifically and voluntarily waive any right to claim that a person violated the ex parte prohibitions of FINRA Rule 9143 or the separation of functions prohibitions of FINRA Rule 9144, in connection with such person's or body's participation in discussions regarding the terms and conditions of this AWC, or other consideration of this AWC, including its acceptance or rejection.

III.

OTHER MATTERS

Respondents understand that:

- A. Submission of this AWC is voluntary and will not resolve this matter unless and until it has been reviewed and accepted by the NAC, a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs ("ODA"), pursuant to FINRA Rule 9216;
- B. If this AWC is not accepted, its submission will not be used as evidence to prove any of the allegations against me; and
- C. If accepted:
 - 1. this AWC will become part of Respondents' permanent disciplinary record and may be considered in any future actions brought by FINRA or any other regulator against them;
 - 2. this AWC will be made available through FINRA's public disclosure program in response to public inquiries about Respondents' disciplinary record;
 - 3. FINRA may make a public announcement concerning this agreement and the subject matter thereof in accordance with FINRA Rule 8313; and
 - 4. Respondents may not take any action or make or permit to be made any public statement, including in regulatory filings or otherwise, denying, directly or indirectly, any finding in this AWC or create the impression that the AWC is without factual basis. Respondents may not take any position in any proceeding brought by or on behalf of FINRA, or to which FINRA is a party, that is inconsistent with any part of this AWC. Nothing in this provision affects Respondents' right to take legal or factual positions in litigation or other legal proceedings in which FINRA is not a party.

Letter of Acceptance, Waiver and Consent

2007008264101 [REDACTED] and Joe F. Moore

- D. Respondent [REDACTED] may attach a Corrective Action Statement to this AWC that is a statement of demonstrable corrective steps taken to prevent future misconduct. Respondent [REDACTED] understands that it may not deny the charges or make any statement that is inconsistent with the AWC in this Statement. This Statement does not constitute factual or legal findings by FINRA, nor does it reflect the views of FINRA or its staff.

Respondent Joe F. Moore certifies that he has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that Respondent Joe F. Moore has agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce him to submit it.

The undersigned, on behalf of Respondent [REDACTED] certifies that a person duly authorized to act on its behalf has read and understands all of the provisions of this AWC and has been given a full opportunity to ask questions about it; that Respondent [REDACTED] has agreed to its provisions voluntarily; and that no offer, threat, inducement, or promise of any kind, other than the terms set forth herein and the prospect of avoiding the issuance of a Complaint, has been made to induce Respondent [REDACTED] to submit it.

Date: 3-25-09



Joe F. Moore, Respondent

[REDACTED] Respondent

Date: 3-25-09

By: 

(Signature)

Name: JOE MOORE

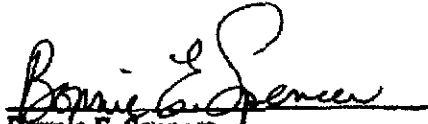
(Print Name)

Title: Pres

Letter of Acceptance, Waiver and Consent
2007008264101 [REDACTED]

and Joe F. Moore

Reviewed by:

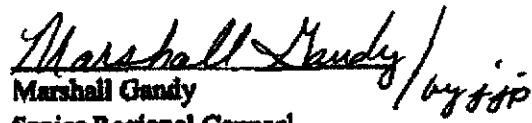

Bonnie E. Spencer
Counsel for Respondents
Joe F. Moore and
[REDACTED]

The Spencer Law Firm
Executive Plaza West
4635 Southwest Freeway, Suite 900
Houston, TX 77027
Telephone (713) 961-7770
Facsimile (713) 961-5336

Accepted by FINRA:

04/02/2009
Date

Signed on behalf of the
Director of ODA, by delegated authority


Marshall Gandy
Senior Regional Counsel
FINRA Department of Enforcement
12801 North Central Expressway
Suite 1050
Dallas, TX 75243
Phone Number: 972-716-7692
Fax Number: 972-716-7612