

STATE OF MAINE  
OFFICE OF SECURITIES  
121 STATE HOUSE STATION  
AUGUSTA, MAINE 04333

\_\_\_\_\_) )  
IN THE MATTER OF: ) )  
E. E. Powell & Company Inc. and ) )  
Robert C. Wagner IV ) )  
\_\_\_\_\_) )

CONSENT AGREEMENT  
No. 03-095-CAG

This Agreement is entered into by the State of Maine Office of Securities ("Securities"), E.E. Powell & Company Inc. ("E.E. Powell"), CRD# 3063, a broker-dealer incorporated pursuant to the laws of Pennsylvania with a principal place of business in Pittsburgh, Pennsylvania, and Robert C. Wagner IV ("Wagner"), CRD# 2952867, a sales representative affiliated with E.E. Powell.

**WHEREAS**, the parties agree as follows:

1. At all relevant times, it has been unlawful in Maine for a person to act as a sales representative unless licensed or exempt from licensing under the Revised Maine Securities Act, 32 M.R.S.A. §10301(1)
2. At all relevant times, it has been unlawful in Maine for a broker-dealer to employ a person as a sales representative unless the sales representative is licensed or exempt from licensing under the Revised Maine Securities Act, 32 M.R.S.A. §10301(2)
3. On January 3, 2002, Securities received information that E.E. Powell had not renewed the license of at least one sales representative for 2002.
4. By letter dated January 16, 2002, Securities informed E.E. Powell that it had not renewed the license of at least one sales representative in Maine for 2002.
5. E.E. Powell did not respond to Securities' January 16, 2002, letter.
6. During the week of March 25, 2002, Securities re-sent its January 16, 2002, letter and marked it "Second Notice."

7. E.E. Powell did not respond to Securities' second letter.
8. Securities received information on January 3, 2003, that E.E. Powell had not renewed the license of at least one sales representative in Maine for 2003.
9. By letter dated February 27, 2003, Securities sent a letter to E.E. Powell's clearing firm,<sup>1</sup> requesting that it review the records of E.E. Powell to determine if E.E. Powell had engaged in securities transactions with Maine residents within the last six years.
10. On March 17, 2003, Securities received a response to its February 27, 2003, letter to the clearing firm. The clearing firm's letter stated that its search of E.E. Powell's records identified three accounts with a Maine zip code. Enclosed with the letter were copies of confirmations for each transaction effected in the Maine accounts. A review of the confirmations revealed that Robert C. Wagner IV ("Wagner"), a sales representative with E.E. Powell, was the agent for all three accounts with Maine addresses, and that a total of twenty-one transactions had been effected in the Maine accounts.
11. In response to a request from Securities, E.E. Powell's chief compliance officer confirmed, by letter dated April 28, 2003, that E.E. Powell had effected twenty-one transactions for three Maine customer accounts. The chief compliance officer also clarified that three of the twenty-one transactions at issue were the result of cancelled and corrected trades resulting in only nineteen actual transactions.
12. Securities has reviewed Wagner's licensing record and has found that Wagner has never held a sales representative's license in Maine.
13. It is Securities' position that Wagner has acted as a sales representative in Maine without being licensed or exempt from licensing.
14. E.E. Powell has represented verbally, through its chief compliance officer, that Wagner's failure to be licensed before transacting business in Maine was due to the failure of the former compliance officer to follow up on Securities' letters notifying E.E. Powell that it had no sales representatives licensed in Maine, as well as the company's misunderstanding of Maine law.

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<sup>1</sup> A clearing firm is a company that, among other things, maintains records of securities transactions effected by a broker-dealer.

15. All parties desire an expeditious resolution of this matter.

**NOW THEREFORE**, without trial or adjudication of any issue of fact or law, and without E.E. Powell or Wagner admitting or denying that their conduct violated the Revised Maine Securities Act, it is agreed that:

E.E. Powell and Wagner will comply with all licensing and other legal requirements governing persons acting as securities broker-dealers and sales representatives in the State of Maine at all times from the date hereof;

In lieu of Securities seeking the imposition of a penalty for the allegations contained herein, E.E. Powell will pay the sum of \$3,000.00 to Securities upon E.E. Powell's execution of this Agreement; and

Securities will not take further action against E.E. Powell or Wagner based upon the unlicensed status of Wagner during the period preceding and including the date of execution of the Agreement, **PROVIDED**, however, that this paragraph applies only to the transactions previously disclosed to Securities by E.E. Powell and its clearing firm.

May 28, 2003  
Date

/s/ Christine A. Bruenn  
Christine A. Bruenn  
Securities Administrator

E.E. Powell & Company Inc.  
By:

May 22, 2003  
Date

/s/ Andrea Vadas Evancho  
Signature

/s/ Andrea Vadas Evancho  
(printed name)

Its Treasurer/CCO

May 22, 2003  
Date

/s/ Robert C. Wagner IV  
Robert C. Wagner IV

Approved by:

May 27, 2003  
Date

/s/ Bonnie E. Russell  
Bonnie E. Russell  
Supervisor of Enforcement

May 27, 2003  
Date

/s/ Jacqueline M. Drouin  
Jacqueline M. Drouin  
Investigator/Examiner

