

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



In the Matter of:

GunnAllen Financial, Inc. (CRD # 17609),
David L. Adler (CRD # 1592),
Lon E. Kepple (CRD # 847350), and
Stephen I. Saunders IV (CRD # 2873747),

Respondents.

ODS File No. 09-007

ORDER AGAINST GUNN ALLEN FINANCIAL, INC.

Pursuant to Section 1-602 of the Oklahoma Uniform Securities Act of 2004 ("Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2004), the Enforcement Division of the Oklahoma Department of Securities ("Department") made an inquiry into the activities of GunnAllen Financial, Inc. ("GunnAllen"), David L. Adler ("Adler"), Lon E. Kepple ("Kepple"), and Stephen I. Saunders IV ("Saunders") to determine whether violations of the Act and/or the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities ("Rules") may have occurred.

An Enforcement Division Recommendation ("Recommendation") was filed with the Administrator on November 19, 2008, recommending the imposition of sanctions against Respondents. In order to resolve the matter, GunnAllen voluntarily executed the Agreement, attached hereto as "Exhibit A" and incorporated herein by reference, and consented to the issuance of this *Order* ("Order").

This Order is issued pursuant to Section 1-411 of the Act and 660:2-5-3 of the Rules. For purposes of this Order, the Administrator of the Department ("Administrator") hereby adopts the Findings of Fact and Conclusions of Law set forth below.

Findings of Fact

1. Adler offered and sold one Class B membership interest in GunnAllen Ventures Partners X, LLC, to an Oklahoma resident ("Investor"), in September 2005 ("Transaction").
2. Adler was not registered in any capacity under the Act at the time of the Transaction. Adler became registered as an agent under the Act on October 19, 2005, and remains registered as such.
3. At the time of the Transaction, Kepple was registered as a General Securities Principal with FINRA (formerly known as, "NASD") and was the designated supervisor of

Adler. Kepple became registered under the Act on October 11, 2005, and remains registered as such.

4. Saunders approved certain documents involved in the Transaction and was registered as a General Securities Principal with FINRA at the time. From December 7, 2004, until April 11, 2007, Saunders was registered as an agent under the Act.

5. The Administrator has jurisdiction over Respondents and the subject matter of this action.

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

Conclusions of Law

1. GunnAllen failed to reasonably supervise Adler, in violation of Section 1-411.D.9 of the Act and 660:11-5-42(b)(22) of the Rules.

2. The Administrator was authorized to enter into the Agreement and is authorized to issue this Order pursuant to Section 1-411 of the Act and 660:2-5-3 of the Rules.

3. It is in the public interest for the Administrator to issue this Order.

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

NOW THEREFORE, IT IS HEREBY ORDERED that GunnAllen pay a civil penalty in the amount of \$7,500, per the terms of the Agreement.

IT IS FURTHER ORDERED that GunnAllen comply with all other terms of the Agreement.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this 1st day of December, 2008.

(SEAL)

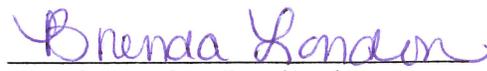


IRVING L. FAUGHT, ADMINISTRATOR OF
THE OKLAHOMA DEPARTMENT OF SECURITIES

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 1st day of December, 2008, a true and correct copy of the above and foregoing *Order* was mailed by certified mail, return receipt requested, to:

David H. Jarvis
General Counsel
GunnAllen Financial, Inc.
5002 W. Waters Ave.
Tampa, FL 33634


Brenda London
Brenda London, Paralegal

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Respondents.

ODS File No. 09-007

AGREEMENT RELATING TO GUNNALLEN FINANCIAL, INC.

THIS AGREEMENT is entered into by and between GunnAllen Financial, Inc. ("GunnAllen"), and the Administrator ("Administrator") of the Oklahoma Department of Securities ("Department") as of the Effective Date set forth below.

Pursuant to Section 1-602 of the Oklahoma Uniform Securities Act of 2004 ("Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2004), the Enforcement Division of the Department made an inquiry into the activities of GunnAllen, David L. Adler ("Adler"), Lon E. Kepple ("Kepple"), and Stephen I. Saunders IV ("Saunders") to determine whether violations of the Act and/or the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities ("Rules") may have occurred.

The Department's inquiry revealed that Adler became registered under the Act as an agent of GunnAllen, a registered broker-dealer, on October 19, 2005. Prior to becoming registered, Adler transacted business in Oklahoma as an agent of GunnAllen, in violation of Section 1-402 of the Act. Specifically, Adler offered and sold one Class B membership interest in GunnAllen Ventures Partners X, LLC, to an Oklahoma resident ("Investor"), in September 2005 ("Transaction"). At the time of the Transaction, Kepple was the designated supervisor of Adler. Saunders, a principal of GunnAllen, approved certain documents involved in the Transaction.

GunnAllen desires to expeditiously settle this matter without the adjudication of any issue of law or fact. GunnAllen voluntarily waives its right to a hearing provided by the Act, the Rules, and the Oklahoma Administrative Procedures Act, and any right to appeal.

The undersigned parties hereto agree as follows:

1. **Order.** The Administrator will issue an *Order* in the form attached hereto as "Attachment A."

exhibit "a"

Handwritten signature or initials, possibly "DIA", in black ink.

2. **Civil Penalty.** GunnAllen will pay a civil penalty in the amount of \$7,500. The civil penalty shall be paid by money order, cashier's check, or corporate check, payable to the "Oklahoma Department of Securities," and shall be received by the Department within thirty (30) days of the Effective Date of this Agreement.

3. **Rescission Offer.** GunnAllen will offer the Investor, as identified by the Department in separate communications with GunnAllen, the right to rescind the Transaction in accordance with Section 1-510 of the Act, within thirty (30) days of the Effective Date of this Agreement. GunnAllen will provide the Department with a copy of the rescission offer when made to the Investor and the Investor's response.

4. **Compensation Reversal.** GunnAllen will reverse all compensation received by Adler, Kepple, and/or Saunders as a result of the Transaction, within thirty (30) days of the Effective Date of this Agreement. GunnAllen will provide the Department with reasonable proof of the reversal within forty (40) days of the Effective Date of this Agreement.

5. **Jurisdiction.** The Administrator has jurisdiction over GunnAllen and the subject matter of this action.

6. **No Coercion.** GunnAllen enters into this Agreement voluntarily and without any duress, undue influence, or coercion by the Administrator, any employee of the Department, or any member of the Oklahoma Securities Commission.

7. **Consideration.** In consideration for this Agreement, the Administrator will not take further action against GunnAllen in connection with the Transaction, except as provided below in items 8 and 9.

8. **Limitation on Agreement.** Nothing in this Agreement shall prohibit the Administrator from furnishing information to any other properly constituted agency or authority. In the event any other agency or authority commences an action in connection with information obtained by the Administrator against GunnAllen, the Administrator may assist in such action as authorized by law.

9. **Failure to Comply.** If GunnAllen fails to comply with the terms of this Agreement in any material respect, the Administrator shall proceed against GunnAllen as authorized by law.

10. **Entire Agreement.** This writing constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes any and all prior and contemporaneous agreements, representations and understandings of the parties. No supplement, modification or amendment to this Agreement shall be binding unless executed in writing by each of the parties hereto.

11. **Effective Date.** This Agreement shall be effective as of the date on which it is signed by the Administrator as set forth below his signature hereto.



12. **Applicability.** This Agreement applies only to the activities of GunnAllen, in connection with the Transaction, and to no others.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year set forth below their signatures hereto.

GUNNALLEN FINANCIAL, INC.

By: *David H. Fought*

Date: *11/21/2008*

Address: *5002 W. Wacker Ave*
Tampa FL 33634

**IRVING L. FAUGHT, ADMINISTRATOR
OKLAHOMA DEPARTMENT OF SECURITIES**

Irving L. Fought

Date: **December 1, 2008**

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