

**STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT**

IN THE MATTER OF: KURT A. JOHNSON

FILE NO. 0300922

ORDER OF DENIAL

TO THE RESPONDENT: Kurt A. Johnson
(CRD# 2008977)
2520 NW Bent Tree Circle
Lee's Summit, Missouri 64081

C/o Gunnallen Financial, Inc.
1715 N. Westshore Boulevard
Suite 775
Tampa, Florida 33607-3926

c/o Jane L. Stafford
Attorney at Law
Spencer Fane Britt & Browne LLP
1000 Walnut Street
Suite 1400
Kansas City, Missouri 64106-2140

WHEREAS, a Summary Order of Denial was issued by the Secretary of State on April 7, 2004, which denied Kurt A Johnson's (the "Respondent") application for registration as a salesperson in the State of Illinois until further order from the Secretary of State.

WHEREAS, pursuant to Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"), the failure to request a hearing within thirty (30) calendar days of the entry of a Summary Order shall constitute an admission of any facts alleged therein and constitute a sufficient basis to make the Summary Order final.

WHEREAS, the Respondent has failed to request a hearing on the matters contained in the Summary Order within thirty (30) calendar days of the entry of said

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Summary Order and the Respondent is hereby deemed to have admitted the facts alleged in the said Summary Order.

WHEREAS, the Secretary of State, by and through his duly authorized representative, has adopted the Findings of Fact contained in the said Summary Order as the Secretary of State's Findings of Fact as follows:

1. That on December 8, 2003, Gunnallen Financial, Inc., a registered dealer, filed a Form U-4 application for registration of the Respondent as a salesperson in the State of Illinois.
2. That on December 5, 1996, an Exchange Panel of the New York Stock Exchange, Inc. (NYSE) accepted a Stipulation of Facts and Consent to Penalty entered into between the Exchange's Division of Enforcement and the Respondent ("Decision") in File No. 96-31 which imposed the following sanctions:
 - a. censure; and
 - b. suspension from membership, allied membership, approved person status, and from employment or association in any capacity with any member or member organization for a period of two months.
3. That the Decision among other things, found: 2004 the Respondent effected five (5) purchase transactions in a joint account of two (2) Illinois residents.
 - a. C opened two accounts with the Respondent at the Firm in January 1994. At the time, C was recently divorced with two minor children. Her initial deposit at the Firm was approximately \$106,000 in an IRA (a rollover from her ex-husband's IRA) and \$50,000-60,000 in a personal account. C's investment objectives as stated on her new account documentation were income, investment grade, growth and speculation. Her income was approximately \$36,000, net worth \$250,000 and liquid assets \$100,000.
 - b. Among other things, the Respondent recommended that C purchase 1,000 shares of RST bought for a total purchase price of \$13,763. RST was a fledging outpatient health care company which he recommended to C.
 - c. The RST purchase was unsuitable for C in light of C's investment objectives and financial status.

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- d. The Respondent entered an unauthorized trade in the account of one customer as set forth below.
 - e. D opened an account with the Respondent at the Firm in or about March 1993.
 - f. On or about March 30, 1995, the Respondent purchased 400 shares of OPQ in D's account, which was not authorized.
 - g. When D complained to the Firm about the OPQ purchase, the trade was cancelled and the \$800 loss was charged to the Respondent.
 - h. By virtue of the foregoing, the Respondent engaged in conduct inconsistent with just and equitable principles of trade in that he entered:
 - i. an unauthorized trade in an account of a customer; and
 - ii. an unsuitable trade in an account of a customer.
- 4 That Section 8.E(1)(j) of the Act provides, inter alia, that the registration of a salesperson may be denied if the Secretary of State finds that such salesperson has been suspended by any self-regulatory organization registered under the Federal 1934 Act or the Federal 1974 Act arising from any fraudulent or deceptive act or a practice in violation of any rule, regulation or standard duly promulgated by the self-regulatory organization.
- 5 That the NYSE is a self-regulatory organization as specified in Section 8.E(1)(j) of the Act.
- 6 That by virtue of the foregoing, the Respondent's registration as a salesperson in the State of Illinois is subject to denial pursuant to Section 8.E(1)(j) of the Act.

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NOW IT IS HEREBY ORDERED THAT: Kurt A. Johnson's for registration as a salesperson in the State of Illinois is DENIED.

DATED: This 21st day of May 2004.



JESSE WHITE
Secretary of State
State of Illinois

NOTICE: This is a final order to administrative review pursuant to the Administrative Review Law [735 ILCS 5/3-101 et seq.] and the Rules and Regulations of the Act (14 Ill. Admin. Code, Ch. 1., Sec. 130.1123). Any action for judicial review must be commenced within thirty-five days from the date a copy of this Order is served upon the party seeking review.