

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: KURT A. JOHNSON

FILE NO. 0300922

SUMMARY 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

WHEREAS, on December 8, 2003, Gunnallen Financial, Inc., a registered dealer, filed a Form U-4 application for registration of Kurt A. Johnson (the "Respondent") as a salesperson in the State of Illinois.

WHEREAS, pursuant to the authority granted under Section 11.F of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act"), the Secretary of State has determined that the Respondent's application for registration as a salesperson in the State of Illinois is subject to a Summary Order of Denial;

WHEREAS, the Secretary of State finds that the grounds for such Summary Order of Denial are as follows:

1. 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.
2. 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.
 - 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.
3. 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.
4. That the NYSE is a self-regulatory organization as specified in Section 8.E(1)(j) of the Act.
5. 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.

NOW IT IS HEREBY ORDERED THAT:

The Respondent's application for registration as a salesperson in the State of Illinois is DENIED, subject to the further Order of the Secretary of State.

A public hearing will be set within thirty (30) days of the Respondent's filing a written request for hearing with the Secretary of State at 17 North State Street, Suite 1266, Chicago, Illinois 60602. Said hearing will be held at the aforesaid address before a Hearing Officer duly designated by the Secretary of State. A copy of the Rules under the Act pertaining to contested cases is attached to this Order.

YOUR FAILURE TO REQUEST A HEARING WITHIN THIRTY (30) DAYS AFTER RECEIPT OF THIS ORDER SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE A SUFFICIENT BASIS TO MAKE THIS ORDER FINAL.

You are further notified that if you request a hearing that you may be represented by legal counsel, may present evidence; may cross-examine witnesses and otherwise participate. Failure to so appear shall constitute default, unless any Respondent has upon due notice moved for and obtained a continuance.

Delivery of this Order or any subsequent notice to the designated representative of any Respondent constitutes service upon such Respondent.

DATED: This 7th day of April 2004.



JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State:

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