

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

AGREEMENT RELATING TO STEPHEN I. SAUNDERS IV

THIS AGREEMENT is entered into by and between Stephen I. Saunders IV ("Saunders") and the Administrator ("Administrator") of the Oklahoma Department of Securities ("Department") as of the Effective Date set forth below.

In September 2005, David L. Adler ("Adler"), an agent of GunnAllen Financial, Inc. ("GunnAllen"), transacted business as an unregistered agent in Oklahoma, in violation of Section 1-402 of the Oklahoma Uniform Securities Act of 2004 ("Act"), Okla. Stat. tit. 71, §§ 1-101 through 1-701 (Supp. 2004). Specifically, Adler offered and sold one Class B membership interest in GunnAllen Ventures Partners X, LLC, to an Oklahoma resident ("Transaction"). Based thereon, the Enforcement Division of the Department filed an Enforcement Division Recommendation in support of the imposition of sanctions against GunnAllen, Adler, Lon E. Kepple ("Kepple"), and Saunders ("Recommendation").

After the Recommendation was filed, the Department learned that Kepple signed documents relevant to the Transaction in lieu of Adler to create the appearance that the security involved was offered and sold by an agent registered under the Act, in violation of 660:11-5-42 of the Rules. Neither Adler nor Kepple were registered under the Act at the time the security involved in the Transaction was offered and sold in Oklahoma, but Kepple was registered under the Act on the date the offering for GunnAllen Ventures Partners X, LLC, closed. Joseph M. Giordano ("Giordano"), a principal of GunnAllen, was the designated supervisor of Adler and Kepple at the time of the Transaction. Saunders, also a principal of GunnAllen, approved the documents relating to the Transaction in lieu of Giordano.

The Department asserts that Saunders failed to reasonably supervise Adler and Kepple, in violation of Section 1-411(D)(9) of the Act and 660:11-5-42(b)(22) of the Rules of the Oklahoma Securities Commission and the Administrator of the Department of Securities ("Rules") (as amended July 1, 2007).

Saunders desires to expeditiously settle this matter without the adjudication of any issue of law or fact. Saunders voluntarily waives his 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. **Jurisdiction.** The Administrator has jurisdiction over Saunders and the subject matter of this action.

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

3. **Civil Penalty.** Saunders will pay a civil penalty in the amount of \$500. The civil penalty shall be paid by money order or cashier's 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.

4. **No Coercion.** Saunders 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.

5. **Consideration.** In consideration for this Agreement, the Administrator will not take further action against Saunders in connection with the Transaction, except as provided below in item 6.

6. **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 Saunders, the Administrator may assist in such action as authorized by law.

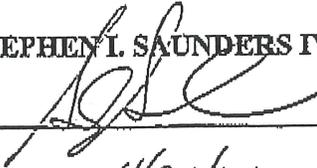
7. **Entire Agreement.** This writing constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes any and all prior and contemporaneous agreements, representations and understandings of the parties. No supplement, modification or amendment to this Agreement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

8. **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.

9. **Applicability.** This Agreement applies only to the activities of Saunders, 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.

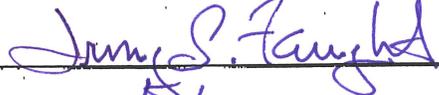
STEPHEN L. SAUNDERS IV



Date: 4/26/09

Address: 2504 N. Ridgewood Ave.
Tampa, FL 33602

IRVING L. FAUGHT, ADMINISTRATOR
OKLAHOMA DEPARTMENT OF SECURITIES



Date: 5/5/09

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ORDER OF CENSURE AGAINST STEPHEN I. SAUNDERS IV

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”) (collectively, “Respondents”) 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 was filed with the Administrator of the Department (“Administrator”) on November 19, 2008, in support of sanctions against Respondents. In order to resolve the matter, Saunders voluntarily executed the *Agreement Relating to Stephen I. Saunders IV*, attached hereto as “Exhibit A” and incorporated herein by reference (“Agreement”), and consented to the issuance of this *Order of Censure against Stephen I. Saunders* (“Order”).

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

Findings of Fact

1. Adler transacted business as an unregistered agent in Oklahoma in September 2005, in violation of Section 1-402 of the Act (“Transaction”).
2. Saunders approved documents relating to the Transaction in lieu of Adler’s designated supervisor, Joseph M. Giordano.

3. The Administrator has jurisdiction over Saunders 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. Saunders 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 Saunders is censured for violating Section 1-411(D)(9) of the Act and 660:11-5-42(b)(22) of the Rules.

IT IS FURTHER ORDERED that Saunders shall pay a civil penalty in the amount of \$500 per the terms of the Agreement.

Witness my Hand and the Official Seal of the Oklahoma Department of Securities this ____ day of _____, 2009.

(SEAL)

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