

BEFORE THE INSURANCE COMMISSIONER OF THE  
STATE OF OKLAHOMA

**FILED**

JAN 07 2011

INSURANCE COMMISSIONER  
OKLAHOMA

STATE OF OKLAHOMA, ex rel. KIM )  
HOLLAND, Insurance Commissioner, )  
 )  
Petitioner, )  
 )  
v. )  
 )  
GREG CARL GUNN, a licensed )  
resident producer, )  
 )  
Respondent. )

Case No. 10-1419-DIS

**FINAL ADMINISTRATIVE ORDER**

COMES NOW the State of Oklahoma, ex rel. Kim Holland, Insurance Commissioner, by and through her attorney, Julie Meaders, and alleges and states as follows:

**JURISDICTION**

1. Kim Holland is the Insurance Commissioner of the State of Oklahoma and is charged with the duty of administering and enforcing all provisions of the Oklahoma Insurance Code, 36 O.S. §§ 101 et seq.
2. Respondent is licensed by the State of Oklahoma as a resident insurance producer holding license number 95136.
3. The Insurance Commissioner may place on probation, censure, suspend, revoke or refuse to issue or renew a license issued pursuant to the Oklahoma Producer Licensing Act and/or may levy a fine up to \$1,000.00 for each occurrence of a violation of the Oklahoma Insurance Code, 36 O.S. § 1435.13(A) and (D).

4. If the Insurance Commissioner finds that the public health, safety or welfare imperatively requires emergency action, and incorporates a finding to the effect in its order, summary suspension of a license may be ordered pending proceedings for revocation or other action. 75 O.S. §§ 314(C)(2), 314,1, OAC 365:1-7-9(a).

### **FINDINGS OF FACT**

1. On November 8, 2010, the Oklahoma Insurance Department was notified that Respondent was involved in an action brought by the Securities Exchange Commission (SEC) in the United States District Court, Northern District of Texas.

2. Investigation revealed that the case involved insider trading in the securities of Aviall, Inc. During March and April 2006, two Aviall employees, Robert Tedder and Brian Carr, obtained material, nonpublic information concerning the acquisition of Aviall. Tedder tipped his father, Joseph Tedder, and a business associate, Phillip Gunn.

3. Phillip Gunn then tipped his brother, Respondent Greg Carl Gunn, a registered representative with Primerica Financial Services Investments (PFSI) and a licensed insurance producer in Oklahoma City, Oklahoma. Respondent sold his entire stock portfolio, approximately \$100,000.00, and thereafter purchased \$110,487.16 of Aviall securities within a two week period, between April 17, 2006 and May 1, 2006. He then sold the Aviall securities on May 1, 2006 - receiving a profit of \$108,587.87 on the sale.

4. Subsequently, the SEC initiated the action in Texas against Respondent and the other persons involved in the scheme on the basis of a misappropriation theory of insider trading. A final judgment was entered against Respondent on September 8, 2010.

5. The court examined the egregiousness of Respondent's conduct, the high level of scienter with which he acted, his failure to recognize the wrongfulness of his action, the insincerity of his assurances against future violations, and the fact that his present occupation would present him with numerous opportunities to violate the securities laws in the future. The court then concluded that all these factors weighed in favor of the issuance of a permanent injunction. In addition to being permanently barred from association with any broker or dealer, Respondent was required to disgorge the \$108,587.87 profit and the prejudgment interest of \$31,195.10; and pay a civil fine of \$50,000.00.

#### **CONCLUSIONS OF LAW**

1. Respondent violated 36 O.S. § 1435.13(A)(8) by using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere.

#### **ORDER**

**IT IS THEREFORE ORDERED, ADJUDGED AND DECREED** by the Insurance Commissioner that the **Emergency Order of Suspension Instanter** entered in this matter on December 3, 2010 is a **FINAL ADMINISTRATIVE ORDER**, that no hearing was requested and Respondent's license is hereby **REVOKED**.

WITNESS My Hand and Official Seal this 7<sup>th</sup> day of January, 2011.



DARREN ELLINGSON  
DEPUTY INSURANCE COMMISSIONER  
STATE OF OKLAHOMA

### CERTIFICATE OF MAILING

I, Julie Meaders, hereby certify that a true and correct copy of the above and foregoing Administrative Order of Suspension Instantner was mailed by certified mail with postage prepaid and return receipt requested on this 7<sup>th</sup> day of January 2011, to:

Greg Carl Gunn  
6703 Acorn Drive  
Oklahoma City, OK 73151

**CERTIFIED MAIL NO.** 7008 1830 0003 9410 9014

and a copy was mailed to all appointing insurers/RIRS

and a copy was delivered to:

Leah Scoles  
Producer Licensing Division

Rick Wagnon  
Anti-Fraud Division

JULIE MEADERS  
ASSISTANT GENERAL COUNSEL

7008 1830 0003 9410 9014

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**Oklahoma City, OK 73151**  
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 JAN 19 2011  
 Legal Division

**Greg Carl Gunn**  
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**Oklahoma City, OK 73151**  
**jc/Legal 10-1419-DIS-JAM**

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