

BEFORE THE STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF SECURITIES

In the Matter of

GUNNALLEN FINANCIAL, INC.,
ERROL VAUGHN WILSON,
BRETT A. KANTOR, and
PIERRE J. CARRENARD,
Respondents.

PETITION FOR ORDER
(SUMMARY)
File No. S-03249 (LX)

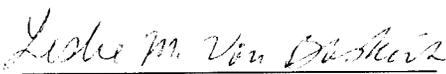
The staff of the Bureau of Registration & Enforcement and the Bureau of Licensing and Compliance of the Division of Securities, Department of Financial Institutions, State of Wisconsin, has conducted an investigation into this matter pursuant to § 551.56, Wisconsin Statutes, and as a result thereof alleges as follows:

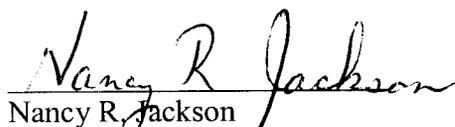
1. The Respondent GunnAllen Financial, Inc. (“GunnAllen”)(CRD # 17609) is a Florida corporation licensed as a broker/dealer in Wisconsin since November, 1989. Its principal place of business is located at 1715 North Westshore Boulevard, Suite 775, Tampa, Florida 33607.
2. The Respondent Errol Vaughn Wilson (CRD# 2874199)(“Wilson”) is a registered representative of GunnAllen who resides at 140 Moore Street #26, Brooklyn, New York 11206, with a business address at the GunnAllen office at 1359 Broadway, Suite 2204, New York, New York 10018. He was not licensed as a securities agent in Wisconsin during any time relevant to this Petition.
3. The Respondent Brett A. Kantor (CRD# 3000357) (“Kantor”) is a registered representative of GunnAllen who resides at 260 Forest Avenue, Woodmere, New York 11598, with a business address at the GunnAllen office at 1359 Broadway, Suite 2204, New York, New York 10018. He was not licensed as a securities agent in Wisconsin during any time relevant to this Petition.
4. The Respondent Pierre J. Carrenard (CRD# 3112553) (“Carrenard”) is a registered representative of GunnAllen who resides at 829 Lincoln Place, Apartment 2, Brooklyn, New York 11216, with a business address at the GunnAllen office at 1359 Broadway, Suite 2204, New York, New York 10018. He was not licensed as a securities agent in Wisconsin during any time relevant to this Petition.
5. GunnAllen, through its registered representatives, including but not limited to Wilson, Kantor, and Carrenard, contacted several Wisconsin residents in October, 2003 to solicit the transfer of their accounts to GunnAllen.
6. Solicitations as described in ¶5 above constitute “transacting business in Wisconsin” as defined by Wis. Admin. Code DFI-Sec. § 1.02(5)(c)(1), and Wis. Stats. § 551.31(1) requires that the soliciting agent be licensed in Wisconsin.

7. Wisconsin residents who were called by unlicensed agents of GunnAllen complained to the Division that they did not know these brokers calling them, that these brokers were rude, harassing them and using scare tactics such as telling the residents that their accounts with their current broker-dealer, who ceased doing business, would be frozen and they would not be able to access their accounts unless they transferred to GunnAllen immediately. Wisconsin Administrative Code § DFI-Sec. § 4.5(11)(e) sets forth such telemarketing activity as a violation of the Rules of Conduct for broker-dealers and agents.
8. Upon receiving these complaints, the Division's Director of the Bureau of Licensing & Compliance contacted the compliance director of GunnAllen to tell him of the complaints and that if such unlicensed and unethical behavior continued, the Division would take action against the firm and any agents involved in such activity.
9. On Monday, November 3, 2003, the Division was informed that a Wisconsin investor was contacted by one of these unlicensed agents, Carrenard, over the preceding weekend.
10. GunnAllen violated Wis. Stats. § 551.31(2) when, on several occasions, the above named registered representatives and others transacted business in Wisconsin (as defined by Wis. Admin. Code DFI-Sec. § 1.02(5)(c)(1)) without a license to do so.
11. GunnAllen violated Wis. Stats. § 551.34(1)(j) by failing to properly supervise its registered representatives to ensure their compliance with the Wisconsin securities laws, which they violated as set forth above, and for having no written procedures or system of applying such procedures as would have been expected to prevent or detect such violations.
12. Respondent Wilson violated Wis. Stats. § 551.31(1) when, on at least one occasion, Wilson transacted business in Wisconsin without a license to do so.
13. Respondent Kantor violated Wis. Stats. § 551.31(1) when, on at least one occasion, Kantor transacted business in Wisconsin without a license to do so.
14. Respondent Carrenard violated Wis. Stats. § 551.31(1) when, on at least one occasion, Carrenard transacted business in Wisconsin without a license to do so.

Therefore, the Staffs of the Licensing & Compliance Bureau and the Bureau of Registration & Enforcement petition the Administrator of the Division of Securities for the issuance of the attached orders pursuant to Chapter 551 of the Wisconsin Statutes.

Dated this 4th day of November, 2003.


Leslie M. Van Buskirk
Staff Attorney
Bureau of Registration & Enforcement


Nancy R. Jackson
Licensing Examiner
Licensing & Compliance Bureau