**UNITED STATES OF AMERICA**
**Before the**
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**
**Release No. 106361 / September 15, 2026**

**ADMINISTRATIVE PROCEEDING**
**File No. 3-22721**

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| **In the Matter of**<br><br>**Gregory Dale Smith,**<br><br>**Respondent.** | **ORDER INSTITUTING CEASE-AND-DESIST PROCEEDINGS PURSUANT TO SECTION 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING A CEASE-AND-DESIST ORDER** |

**I.**

The Securities and Exchange Commission ("Commission") deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 21C of the Securities Exchange Act of 1934 ("Exchange Act"), against Gregory Dale Smith ("Smith" or "Respondent").

**II.**

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the "Offer"), which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting the findings herein, except as to the Commission's jurisdiction over him and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondent consents to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order ("Order"), as set forth below.

**III.**

On the basis of this Order and Respondent's Offer, the Commission finds that:

**Summary**

1. This matter involves insider trading by Smith in the securities of Kimball International, Inc. ("Kimball") based on information that Smith misappropriated from his brother ("Brother"), who is married to a senior executive at Kimball (the "Kimball Executive"). On

March 8, 2023, before market open, HNI Corporation ("HNI") and Kimball announced that they had entered an agreement for HNI to acquire Kimball for a combination of cash and stock (the "Announcement"). On the day of the Announcement, the price of Kimball's stock increased 84.35% over the previous day's closing price.

2. In February 2023, Brother disclosed to Smith information about the proposed transaction in confidence, information that, as Smith knew, Brother learned in confidence through his marriage with the Kimball Executive. Brother and Smith had a close personal relationship and had a history, pattern, and practice of sharing confidences. Unbeknownst to Brother, Smith misappropriated the information by purchasing Kimball stock in advance of the Announcement. Smith obtained profits of $59,710.85. By engaging in this conduct, Smith violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

## Respondent

3. **Gregory Dale Smith**, age 70, is a resident of McCormick, South Carolina. Smith is retired. Smith has never held any securities licenses and has never been registered with the Commission.

## Relevant Entities

4. **Kimball International, Inc.** is an Indiana corporation with its principal place of business in Jasper, Indiana. Kimball's Class B common stock was registered pursuant to Section 12(b) of the Exchange Act and traded on the Nasdaq Stock Market under the trading symbol KBAL until the company was acquired by HNI on June 1, 2023.

5. **HNI Corporation** is an Iowa corporation with its principal place of business in Muscatine, Iowa. HNI's common stock is registered pursuant to Section 12(b) of the Exchange Act and trades on the New York Stock Exchange under the trading symbol HNI.

## Facts

6. Between November 2022 and March 2023, Kimball and HNI were engaged in merger negotiations. On or around February 8, 2023, as negotiations approached completion, the Kimball Executive learned of the potential transaction. The Kimball Executive told Brother in confidence of the potential transaction in order to discuss its potential effects on them and their community.

7. Shortly thereafter, Brother told Smith in trust and confidence that Kimball would likely be acquired, in order to discuss concerns Brother had about how this could affect Brother, Brother's family, and their community. Brother told Smith that this information was non-public and specifically instructed Smith not to trade on it. Smith knew or was reckless in not knowing that the Brother learned the information in confidence from the Kimball Executive, who Smith knew was a senior executive at Kimball. Smith acknowledged that the information was non-public and was to be kept confidential.

8. Smith and Brother had a close personal and familial relationship. They regularly shared and kept each other's confidences. By virtue of their sibling relationship and their history, pattern, and practice of sharing and maintaining confidences, Smith owed Brother a duty of trust and confidence, and Brother expected that Smith would maintain the confidentiality of information he shared. By virtue of this relationship, the duty owed to Brother, Brother's instructions not to trade, and Smith's acknowledgment of the confidentiality of the information, Smith knew or was reckless in not knowing that the non-public information disclosed was confidential and that he should not trade on the information.

9. Smith knew or was reckless in not knowing that the non-public information about the likely acquisition of Kimball was material. On the basis of that material, non-public information, Smith purchased 11,455 shares of Kimball stock (the "February Shares") at prices from $6.99 to $7.15 per share, for a total cost of $81,256.30, between February 10 and February 27, 2023.

10. Smith knew or was reckless in not knowing that his purchases of Kimball stock were in breach of the duty of trust and confidence he owed to Brother.

11. On March 8, 2023, before market open, HNI and Kimball announced that they had entered into a definitive agreement for HNI to acquire Kimball for a combination of cash and stock. On the day of the Announcement, Kimball's stock closed at $12.37—approximately 84.35% higher than the previous day's closing price.

12. Between March 13 and May 8, 2023, Smith sold the February Shares, along with approximately 6,500 shares of Kimball stock that he owned before learning of the merger. Smith obtained profits of $59,710.85 from the sale of the February Shares.

13. As a result of the conduct described above, Smith violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, which prohibit fraudulent conduct in connection with the purchase or sale of securities.

**Disgorgement**

The disgorgement and prejudgment interest ordered in paragraph IV.B is consistent with equitable principles, does not exceed Respondent's net profits from his violations, and returning the money to Respondent would be inconsistent with equitable principles. Therefore, in these circumstances, distributing disgorged funds to the U.S. Treasury is the most equitable alternative. The disgorgement and prejudgment interest ordered in paragraph IV.B shall be transferred to the general fund of the U.S. Treasury, subject to Section 21F(g)(3) of the Exchange Act.

**IV.**

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent Smith's Offer.

Accordingly, it is hereby ORDERED that**:**

A. Pursuant to Section 21C of the Exchange Act, Respondent Smith cease and desist from committing or causing any violations and any future violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

B. Respondent shall, within 30 days of the entry of this Order, pay disgorgement of $59,710.85, prejudgment interest of $14,728.45, and a civil money penalty of $59,710.85 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment of disgorgement and prejudgment interest is not made, additional interest shall accrue pursuant to SEC Rule of Practice 600. If timely payment of the civil money penalty is not made, additional interest shall accrue pursuant to 31 U.S.C. § 3717.

Payment must be made in one of the following ways:

(1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;

(2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at http://www.sec.gov/about/offices/ofm.htm; or

(3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Smith as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Michael Brennan, Associate Director, Division of Enforcement, Securities and Exchange Commission, 100 F St., NE, Washington, DC 20549.

C. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, he shall not argue that he is entitled to, nor shall he benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a

Penalty Offset, Respondent agrees that he shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

**V.**

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. § 523, the findings in this Order are true and admitted by Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. § 523(a)(19).

By the Commission.

Vanessa A. Countryman
Secretary