

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C.

SECURITIES EXCHANGE ACT OF 1934
Rel. No. 61234 / December 23, 2009

Admin. Proc. File No. 3-12653

In the Matter of
CHRIS G. GUNDERSON, ESQ.

OPINION OF THE COMMISSION

RULE 102(e) PROCEEDING

Grounds for Remedial Action

Violations of Registration and Antifraud Provisions

Attorney was permanently enjoined from violating registration and antifraud provisions of the federal securities laws. *Held*, it is in the public interest to permanently disqualify him from appearing or practicing before the Commission.

APPEARANCES:

Lawrence A. Garvey, of Cushner & Garvey, L.L.P., for Chris G. Gunderson.

Thomas Karr and *Karen Shimp*, for the Office of General Counsel.

Appeal filed: January 18, 2008
Last brief filed: September 2, 2008

I.

Chris G. Gunderson, an attorney, appeals from an administrative law judge's decision. The law judge determined that Gunderson should be permanently disqualified from appearing or practicing before the Commission, pursuant to Rule of Practice 102(e),¹ based on a permanent injunction entered against him for registration and antifraud violations of the federal securities laws. We base our findings on an independent review of the record, except with respect to those findings not challenged on appeal.

II.

Gunderson has been an attorney licensed to practice law in the State of New York for more than forty years. From 1995 until approximately September 2007, Gunderson served as general counsel for Universal Express, Inc. ("Universal Express" or the "Company"), a Nevada corporation.

On February 21, 2007, in a civil action brought by the Commission, the United States District Court for the Southern District of New York issued an opinion and order² finding that Gunderson (and others) issued and distributed unregistered Universal Express shares, in violation of Section 5 of the Securities Act of 1933,³ and created and disseminated materially misleading press releases concerning Universal Express's business operations, in violation of Securities Act Section 17(a)⁴ and Section 10(b) and Rule 10b-5 of the Securities Exchange Act of 1934.⁵

Between April 2001 and January 2004, the district court found that Universal Express issued more than 500 million unregistered shares to four individuals under written agreements, drafted by Gunderson, exchanging stock purportedly for consulting services. During this time,

¹ 17 C.F.R. § 201.102(e). Rule of Practice 102(e) was codified in Section 4C of the Securities Exchange Act of 1934, 15 U.S.C. § 78d-3, in accordance with the Sarbanes-Oxley Act of 2002.

² *SEC v. Universal Express, Inc.*, 475 F. Supp. 2d 412 (S.D.N.Y. 2007), *aff'd sub nom. SEC v. Altomare*, 300 Fed. Appx. 70 (2d Cir. 2008) (per curiam) (unpublished), *cert. denied*, 129 S. Ct. 2745 (2009).

³ 15 U.S.C. § 77e.

⁴ 15 U.S.C. § 77q(a).

⁵ 15 U.S.C. § 78j(b); 17 C.F.R. § 240.10b-5.

Universal Express did not file any securities registration statements, except for two Forms S-8⁶ supposedly registering a total of 50 million shares. There was no evidence that any shares were issued under the Forms S-8.

Of the more than 500 million unregistered shares, nearly 271 million shares were issued to one "consultant" pursuant to letters, drafted by Gunderson, that falsely informed Universal Express's transfer agent that the shares were "to be free trading under an S-8 registration [statement]."⁷ Another approximately 231 million shares were issued to three other "consultants" pursuant to similar letters containing the "S-8 registration" phrase.

Several months after the last issuance of Universal Express stock based on a letter mentioning an "S-8 registration," Commission staff advised Universal Express's transfer agent that she might be charged with participating in the issuance of unregistered securities. The transfer agent informed Gunderson of the staff's communication and questioned him about the legality of the issuance of the shares. In response, Gunderson wrote to the transfer agent stating that the shares were properly registered pursuant to, and in compliance with, Universal Express's stock option plan, but they were not. The stock option plan only authorized the issuance of up to 104,167 shares due to a 1997 reverse stock split, far short of the more than 500 million shares that Gunderson stated were registered pursuant to the plan. The district court was unable to find any evidence that the 500 million unregistered shares were issued pursuant to either the Forms S-8 or stock option plan, leading it to conclude that, during the relevant period, Universal Express was not exempt from having to register the subject shares.

The district court also found that Gunderson engaged in a scheme to defraud investors when Universal Express issued a series of materially misleading press releases that Gunderson drafted or edited and then reviewed and approved. The press releases concerned the Company's financing, expansion, or other business operations, and contained statements that were "at best misleading and sometimes wholly fantastical."⁸ Each press release was immediately followed by increases in Universal Express's share price and trading volume, permitting several of the defendants in the case to dispose of large amounts of the unregistered shares.

⁶ Form S-8 "provides an abbreviated registration procedure for securities offered or sold to an issuer's employees, including consultants, under certain conditions." 475 F. Supp. 2d at 416 n.2. Form S-8 permits an issuer to issue stock to consultants or advisors only if they provide bona fide services to the issuer, the services are not in connection with the offer or sale of securities in a capital-raising transaction, and do not directly or indirectly promote or maintain a market for the issuer's securities. See <http://www.sec.gov/about/forms/forms-8.pdf>. (General Instruction A.1(a) to Form S-8).

⁷ *Universal Express*, 475 F. Supp. 2d at 417.

⁸ *Id.* at 426.

The district court rejected Gunderson's claims that, as general counsel for Universal Express, he acted in good faith. With respect to his liability under Securities Act Section 5 for issuing unregistered shares, the district court found that any claim of good faith was irrelevant because proof of scienter was not required to establish a violation of that provision. With respect to his liability under Securities Act Section 17(a), Exchange Act Section 10(b), and Exchange Act Rule 10b-5 for disseminating materially misleading press releases, the district court found that Gunderson did not "identify any basis in truth that [he] discovered or relied on" in the course of verifying the press releases that would demonstrate his reasonable belief in the truth of the statements contained in the releases.⁹ Gunderson also failed to show that a "reasonable investor" would share his own subjective understanding of certain words used in the press releases.

The district court granted the Commission's request for a permanent injunction against Gunderson from violating Securities Act Sections 5 and 17(a) and Exchange Act Section 10(b) and Exchange Act Rule 10b-5. The district court found it "clear" that Gunderson violated the federal securities laws' registration and antifraud provisions, and "if not enjoined, likely would do so again."¹⁰ The district court found that Gunderson committed these violations "deliberately or at least recklessly and on repeated occasions"; he "not only den[ie]d culpability but [did] so with incredible and contorted arguments"; and, as general counsel to Universal Express, he "remain[ed] in a position to commit possible [federal securities law] violations in the future."¹¹

In addition, the district court ordered that Gunderson be barred from engaging in future offers of penny stock, stating, in relevant part:

Although [Gunderson] did not directly solicit assistance with fraud and was not personally quoted in the materially misleading press releases, as general counsel of Universal Express he also occupied a position of significant power at the time of the violations and . . . repeatedly approved and contributed to acts of fraud and noncompliance with investor-protecting registration requirements. His apparent disregard for the law, evinced both by the repeated nature of his illegal conduct and his joining . . . in the meritless summary judgment motion, is particularly egregious given his position as the chief lawyer for a publicly held company. For these reasons, there is much cause to expect future misconduct by Gunderson¹²

⁹ *Id.* at 427.

¹⁰ *Id.* at 428.

¹¹ *Id.*

¹² *Id.* at 430.

The district court further ordered Gunderson to pay a total of \$794,711, consisting of \$361,317 in disgorgement, \$72,077 in prejudgment interest, and \$361,317 in third-tier civil money penalties.

On April 2, 2007, the district court entered its final judgment incorporating the permanent injunction, penny stock bar, and other relief against Gunderson. Gunderson appealed the district court's final judgment to the United States Court of Appeals for the Second Circuit.

On June 6, 2007, while Gunderson's Second Circuit appeal was pending, we instituted this administrative proceeding against Gunderson pursuant to Rule of Practice 102(e)(3)(i)¹³ and temporarily suspended him from appearing or practicing before the Commission. Gunderson filed a timely petition to lift the temporary suspension,¹⁴ which the Office of General Counsel ("OGC") opposed. The Commission denied Gunderson's petition and directed that a hearing be held before a law judge.¹⁵

¹³ 17 C.F.R. § 201.102(e)(3)(i). Rule of Practice 102(e)(3)(i) states:

(i) The Commission, with due regard to the public interest and without preliminary hearing, may, by order, temporarily suspend from appearing or practicing before it any attorney, accountant, engineer, or other professional or expert who has been by name:

(A) [p]ermanently enjoined by any court of competent jurisdiction, by reason of his or her misconduct in an action brought by the Commission, from violating or aiding and abetting the violation of any provision of the Federal securities laws or of the rules and regulations thereunder; or

(B) [f]ound by any court of competent jurisdiction in an action brought by the Commission to which he or she is a party or found by the Commission in any administrative proceeding to which he or she is a party to have violated (unless the violation was found not to have been willful) or aided and abetted the violation of any provision of the Federal securities laws or of the rules and regulations thereunder.

¹⁴ See 17 C.F.R. § 201.102(e)(3)(ii) (stating, in pertinent part, that "[a]ny person temporarily suspended from appearing and practicing before the Commission in accordance with [Rule 102(e)(3)(i)] may, within 30 days after service upon him or her of the order of temporary suspension, petition the Commission to lift the temporary suspension").

¹⁵ See 17 C.F.R. § 201.102(e)(3)(iii) (stating, in pertinent part, that "[w]ithin 30 days after the filing of a petition in accordance with [Rule 102(e)(3)(ii)], the Commission shall either lift the temporary suspension, or set the matter down for hearing at a time and place designated by the Commission, or both, and, after opportunity for hearing, may censure the petitioner or disqualify the petitioner from appearing or practicing before the Commission for a period of time or permanently").

In the meantime, on June 29, 2007, the Commission moved the district court for an order holding Gunderson in civil contempt, alleging, among other things, that Gunderson defied the permanent injunction and penny stock bar by facilitating Universal Express's issuance of nearly 21 billion additional unregistered shares during the first half of 2007.

On August 31, 2007, the district court issued an opinion and order¹⁶ finding the evidence to be "overwhelming" that Universal Express issued billions more unregistered shares with the "central and necessary involvement of" Gunderson.¹⁷ The district court found that "[t]he substantial increase in the issuance of unregistered securities, combined with the specious justifications . . . [,] demonstrate[d] . . . active and willful disobedience of court orders."¹⁸ Although the district court found that the record "would amply support" an immediate finding of civil contempt, it gave Gunderson "one last opportunity to comply" with its orders or rebut the Commission's "strong case" for a finding of contempt, and set the matter for a hearing.¹⁹ At an October 12, 2007, hearing, the district court found that the need to hold Gunderson in contempt was largely mooted by its appointment of a receiver over Universal Express, thereby making it impossible for Gunderson to continue his violations.²⁰

On December 20, 2007, the law judge, acting on OGC's motion for summary disposition pursuant to Rule of Practice 250(a),²¹ concluded that it was in the public interest and necessary to preserve the integrity of the Commission's processes to permanently disqualify Gunderson from appearing or practicing before the Commission.

¹⁶ *SEC v. Universal Express, Inc.*, No. 04 Civ. 2322 (GEL) (S.D.N.Y. Aug. 31, 2007), 2007 WL 2469452.

¹⁷ 2007 WL 2469452, at *4.

¹⁸ *Id.* at *5

¹⁹ *Id.* at *11.

²⁰ At a subsequent hearing on February 4, 2008, the Commission withdrew its remaining grounds for holding Gunderson in civil contempt based on his inability to pay the financial portion of the district court's final judgment.

²¹ 17 C.F.R. § 201.250(a). At a prehearing conference, the parties agreed that the case was appropriate for summary disposition.

On November 13, 2008, during the pendency of this appeal, the Second Circuit affirmed the final judgment of the district court, stating that it did so "[s]ubstantially for the reasons stated in the district court's thorough and thoughtful opinion and order."²²

III.

Rule of Practice 102(e) has been the primary tool available to the Commission to preserve the integrity of its processes and ensure the competence of the professionals, including attorneys, who appear and practice before it.²³ The Commission adopted the rule as a "means to ensure that those professionals, on whom the Commission relies heavily in the performance of its statutory duties, perform their tasks diligently and with a reasonable degree of competence."²⁴ The rule generally enables the Commission to initiate administrative disciplinary proceedings against professionals who lack integrity or competence, engage in improper professional conduct, or who are found to have violated the federal securities laws.²⁵ The sanctions available in such proceedings include a censure, temporary suspension, and permanent disqualification from practice before the Commission.²⁶

In this proceeding, the Commission has the burden to show that the petitioner has been permanently enjoined by a court of competent jurisdiction, by reason of his misconduct in an

²² *SEC v. Altomare*, 300 Fed. Appx. 70, 71 (2d Cir. 2008) (per curiam) (unpublished), *aff'g* 475 F. Supp. 2d 412 (S.D.N.Y. 2007).

²³ *Implementation of Standards of Professional Conduct for Attorneys*, Securities Exchange Act Rel. No. 46868 (Nov. 21, 2002) (proposed rule), 78 SEC Docket 3240, 3241; *see, e.g., Marrie v. SEC*, 374 F.3d 1196, 1200 (D.C. Cir. 2004) (stating that Rule of Practice 102(e) "is directed at protecting the integrity of the Commission's processes, as well as the confidence of the investing public in the integrity of the financial reporting process"); *Touche Ross & Co. v. SEC*, 609 F.2d 570, 582 (2d Cir. 1979) (stating that Rule of Practice 2(e), the predecessor to Rule of Practice 102(e), "represents an attempt by the Commission to protect the integrity of its own processes"; upholding the validity of Rule of Practice 2(e) as "reasonably related" to the purposes of the federal securities laws).

²⁴ *Touche Ross*, 609 F.2d at 582.

²⁵ *See* 17 C.F.R. § 201.102(e)(1)(i)-(iii).

²⁶ *See* 17 C.F.R. §§ 201.102(e)(1), 201.102(e)(3)(iii). According to Rule of Practice 102(f), "practicing before the Commission" includes, but is not be limited to, "[t]ransacting any business with the Commission," and "[t]he preparation of any statement, opinion or other paper by any attorney, accountant, engineer or other professional or expert, filed with the Commission in any registration statement, notification, application, report or other document with the consent of such attorney, accountant, engineer or other professional or expert." 17 C.F.R. § 201.102(f).

action brought by the Commission, from violating or aiding and abetting the violation of the federal securities laws, or has been found by a court of competent jurisdiction to have violated or aided and abetted the violation of the federal securities laws.²⁷ Once that burden has been met, the burden shifts to the petitioner to show cause why he should not be censured or temporarily or permanently disqualified from appearing and practicing before the Commission.²⁸ However, the petitioner may not contest any finding made against him, or any fact admitted by him, in the underlying judicial proceeding.²⁹

Here, OGC satisfied its burden by showing that the district court, a court of competent jurisdiction, in an action brought by the Commission, found Gunderson in violation of the federal securities laws' registration and antifraud provisions and, based on its findings, permanently enjoined him from violating those provisions. The sole issue therefore is whether Gunderson has shown cause, and if he has not, to determine the appropriate remedial sanction.

Gunderson seeks to show cause by arguing that due process prohibits us from taking any disciplinary action in this administrative proceeding until the Second Circuit has ruled on his appeal. However, "[i]t is well established that the existence of an appeal of the district court's decision does not affect the [permanent] injunction's status as a basis for administrative action."³⁰ As we have previously stated, "Unless and until it is vacated, the [permanent] injunction entered against [the respondent] is a valid basis for administrative action."³¹ Gunderson's argument that "[i]t would be an egregious denial of [his] [constitutional] due process rights for the SEC to disqualify [him] from practicing or appearing before the Commission until . . . the completion of the appeals process" therefore lacks merit.³² Moreover, as previously discussed, during the pendency of this administrative proceeding, the Second Circuit ruled on Gunderson's appeal and affirmed the district court's final judgment in its entirety.

²⁷ 17 C.F.R. § 201.102(e)(3)(iv).

²⁸ *Id.*

²⁹ *See id.*

³⁰ *Conrad P. Seghers*, Investment Advisers Act Rel. No. 2656 (Sept. 26, 2007), 91 SEC Docket 2293, 2297 & n.12 (citing cases), *petition denied*, 548 F.3d 129 (D.C. Cir. 2008).

³¹ *Id.* (quoting *Michael T. Studer*, 57 S.E.C. 890, 896-97 (2004)).

³² *Cf. Seghers v. SEC*, 548 F.3d 129, 136-37 (D.C. Cir. 2008) (holding that the Commission did not deny petitioner due process by not staying follow-on administrative proceeding during pendency of his appeal from district court's judgment, entered on jury verdict, enjoining him from future securities fraud).

Gunderson also argues that the law judge erred in excluding as irrelevant two exhibits that he submitted in support of his response to OGC's motion for summary disposition. Exhibit "A" was a collection of articles discussing "naked" short selling.³³ Exhibit "B" was a sample of press releases on "naked" short selling issued by Universal Express's president and Gunderson. According to Gunderson, the two exhibits were submitted "to illustrate and further support his contention that he acted in good faith and with the best interests of [Universal Express] in mind," and therefore "could not have had the scienter necessary to find him liable for" any violations.

By submitting these exhibits, it appears that Gunderson is seeking essentially to relitigate his alleged "good faith" in engaging in the issuance of unregistered securities and dissemination of materially misleading press releases. The district court rejected Gunderson's "good faith" claims, finding that he acted "deliberately or at least recklessly" in committing the violations. As noted, under Rule of Practice 102(e)(3)(iv), Gunderson may not contest, in this administrative proceeding, the findings made against him by the district court in the federal injunctive action. Consequently, we agree with the law judge that the exhibits were irrelevant to the proceeding.

IV.

OGC requests that we permanently disqualify Gunderson from appearing or practicing before the Commission. In determining the appropriate remedial sanction under Rule of Practice 102(e), we are guided by the public interest factors in *Steadman v. SEC*:³⁴ the egregiousness of the respondent's actions; the isolated or recurrent nature of the infraction; the degree of scienter involved; the sincerity of the respondent's assurances against future violations; the respondent's recognition of the wrongful nature of his conduct; and the likelihood of future violations.³⁵ Our inquiry into the appropriate remedial sanction "is a flexible one, and no one factor is dispositive."³⁶

³³ "Naked" short selling "refers generally to selling short without having stock available for delivery and intentionally failing to deliver stock within the standard three-day settlement cycle." *"Naked" Short Selling Antifraud Rule*, Exchange Act Rel. No. 58774 (Oct. 14, 2008), 94 SEC Docket 10733, 10734 & n.2.

³⁴ 603 F.2d 1126 (5th Cir. 1979), *aff'd on other grounds*, 450 U.S. 91 (1981); *see Herbert M. Campbell, II, Esq.*, Initial Decision Rel. No. 266 (Oct. 27, 2004), 83 SEC Docket 4000, 4009 (ALJ decision) (applying *Steadman* factors in proceeding under Rule of Practice 102(e)), *declared final*, Exchange Act Rel. No. 50906 (Dec. 22, 2004), 84 SEC Docket 1943.

³⁵ *Steadman*, 603 F.2d at 1140.

³⁶ *David Henry Disraeli*, Exchange Act Rel. No. 57027 (Dec. 21, 2007), 92 SEC Docket 852, 875 (quoting *Seghers*, 91 SEC Docket at 2298), *aff'd*, 2009 WL 1791547 (D.C. Cir. 2009) (per curiam) (unpublished).

We have repeatedly stated that "conduct that violates the antifraud provisions of the federal securities laws is especially serious and subject to the severest of sanctions."³⁷ "Fidelity to the public interest' requires a severe sanction when a respondent's misconduct involves fraud because the 'securities business is one in which opportunities for dishonesty recur constantly.'"³⁸ We have also stated, in the analogous context of a "follow-on" proceeding,³⁹ that an antifraud injunction "ordinarily" warrants barring participation in the securities industry.⁴⁰ We have further stated that "[t]he registration requirements [of the federal securities laws] are the heart of the securities regulatory system," and indicated that disregarding those requirements justifies "strong remedial measures."⁴¹

In this case, Gunderson's violations were egregious, recurrent, and reflected a high degree of scienter. As the district court found, over a period of several years, Gunderson "deliberately or at least recklessly and on repeated occasion" violated the federal securities laws by facilitating the issuance of hundreds of millions of unregistered Universal Express shares into the market and by participating in the creation and dissemination of materially misleading press releases to the investing public concerning Universal Express's business prospects. As the district court further found, Gunderson's "apparent disregard for the [federal securities] law," evidenced by his "repeated[] approv[al] and contribu[tion] to acts of fraud and noncompliance with investor-protecting registration requirements," was "particularly egregious given his position [at the time of the violations] as the chief lawyer for a publicly held company."⁴²

Gunderson has not acknowledged his unlawful conduct, nor has he offered assurances against future violations. Instead, Gunderson argues that disqualifying him from appearing and

³⁷ *Justin F. Ficken*, Advisers Act Rel. No. 2803 (Oct. 17, 2008), 94 SEC Docket 10887, 10891 & n.20 (citing cases).

³⁸ *Ficken*, 94 SEC Docket at 10891 (quoting *Richard C. Spangler, Inc.*, 46 S.E.C. 238, 252 (1976)).

³⁹ An administrative proceeding that seeks to impose sanctions after an individual is enjoined from acts involving securities or investment fraud in federal court is commonly called a "follow-on" proceeding. *Gibson v. SEC*, 561 F.3d 548, 550 n.1 (6th Cir. 2009).

⁴⁰ *Ficken*, 94 SEC Docket at 10891 (quoting *Marshall E. Melton*, 56 S.E.C. 695, 713 (2003)).

⁴¹ *Charles F. Kirby*, 56 S.E.C. 44, 72 (2003), *petition denied sub nom. Geiger v. SEC*, 363 F.3d 481 (D.C. Cir. 2004); *see generally SEC v. Ralton Purina Co.*, 346 U.S. 119, 124 (1953) (stating that the purpose of the registration requirements is to "protect investors by promoting full disclosure of information thought necessary to informed investment decisions").

⁴² *Universal Express*, 475 F. Supp.2d at 430.

practicing before the Commission is not necessary to protect Universal Express's shareholders or public investors because he is no longer general counsel for Universal Express. However, Gunderson continues to be a licensed attorney, and thus remains in a position to commit future securities law violations on behalf of other clients.⁴³

The contempt proceeding before the district court further indicates the likelihood of future violations. The district court found that Gunderson helped Universal Express issue tens of billions more unregistered shares, despite the permanent injunction and penny stock bar, based on "specious justifications" that demonstrated "active and willful disobedience of court orders."⁴⁴ The fact that Gunderson continued to violate the federal securities laws, in defiance of the district court's permanent injunction and penny stock bar, demonstrates a strong likelihood of Gunderson committing future violations. As the district court found, "there is . . . much cause to expect future misconduct by Gunderson."⁴⁵ Gunderson consequently poses a threat of future harm to the Commission's registration and disclosure processes, and thereby to the investing public.

Over thirty-five years ago, we noted the "strategic and especially central place of the private practicing lawyer in the investment process and in the enforcement of the body of federal law aimed at keeping that process fair."⁴⁶ We further noted that

the task of enforcing the securities laws rests in overwhelming measure on the bar's shoulders. . . . [T]his Commission with its small staff, limited resources, and onerous tasks is peculiarly dependent on the probity and the diligence of the professionals who practice before it. Very little of a securities lawyer's work is adversary in character. . . . He works in his office where he prepares prospectuses, proxy statements, opinions of counsel and other documents that we, our staff, the financial community, and the investing public must take on faith. This is a field where unscrupulous lawyers can inflict irreparable harm on those who rely on the

⁴³ See *Campbell*, 83 SEC Docket at 4009-10 (permanently disqualifying attorney who, as corporate vice president and general counsel, was enjoined from violating federal securities laws, in part because he could continue practicing commercial law); see generally *William R. Carter*, 47 S.E.C. 471, 477 (1981) (stating that "[a] significant failure to perform properly the professional's role has implications extending beyond the particular transaction involved, for wrongdoing by a lawyer or an accountant raises the spectre of a replication of that conduct with other clients").

⁴⁴ *Universal Express*, 2007 WL 2469452, at *5.

⁴⁵ *Universal Express*, 475 F. Supp. 2d at 430.

⁴⁶ *Emanuel Fields*, 45 S.E.C. 262, 266 n.20 (1973), *aff'd without opinion*, 495 F.2d 1085 (D.C. Cir. 1974).

disclosure documents that they produce. Hence we are under a duty to hold our bar to appropriately rigorous standards of professional honor.⁴⁷

Based on our consideration of the public interest factors and all of the circumstances in this case, we conclude that permanently disqualifying Gunderson from appearing or practicing before the Commission serves the public interest and is remedial because it will protect the integrity of our registration and disclosure processes from future harm by Gunderson.⁴⁸

An appropriate order will issue.⁴⁹

By the Commission (Chairman SCHAPIRO and Commissioners CASEY, WALTER, AGUILAR and PARADES).

Elizabeth M. Murphy
Secretary

⁴⁷ *Id.*; see also *SEC v. Spectrum, Ltd.*, 489 F.2d 535, 541-42 (2d Cir. 1973) (stating that "[t]he legal profession plays a unique and pivotal role in the effective implementation of the securities laws," and "[q]uestions of compliance with the intricate provisions of these statutes are ever present and the smooth functioning of the securities markets will be seriously disturbed if the public cannot rely on the expertise proffered by an attorney when he renders an opinion on such matters"); *United States v. Benjamin*, 328 F.2d 854, 863 (2d Cir.) (stating that "[i]n our complex society the accountant's certificate and the lawyer's opinion can be instruments for inflicting pecuniary loss more potent than the chisel or the crowbar"), *cert. denied*, 377 U.S. 953 (1964).

⁴⁸ See, e.g., *Maxwell Bentley*, 46 S.E.C. 17, 18-19 (1975) (permanently disqualifying attorney enjoined from violating antifraud and registration provisions); *Fields*, 45 S.E.C. at 267-68 (same); *Campbell*, 83 SEC Docket at 4009-10 (permanently disqualifying attorney enjoined from violating antifraud and reporting provisions).

⁴⁹ We have considered all of the parties' contentions. We have rejected or sustained them to the extent that they are inconsistent or in accord with the views expressed in this opinion.

UNITED STATES OF AMERICA
before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Rel. No. 61234 / December 23, 2009

Admin. Proc. File No. 3-12653

In the Matter of

CHRIS G. GUNDERSON, ESQ.

ORDER IMPOSING REMEDIAL SANCTIONS

On the basis of the Commission's opinion issued this day, it is

ORDERED that Chris G. Gunderson be, and he hereby is, permanently disqualified from appearing or practicing before the Commission.

By the Commission.

Elizabeth M. Murphy
Secretary