

COMMONWEALTH OF KENTUCKY  
OFFICE OF FINANCIAL INSTITUTIONS  
DIVISION OF SECURITIES  
AGENCY CASE NO. 2008-AH-014  
PPC ADMINISTRATIVE ACTION NO. 08-PPC-0084

IN THE MATTER OF THE AGENT APPLICATION OF  
THOMAS J. GORTER  
CRD# 1008601

SETTLEMENT AGREEMENT AND ORDER OF DISMISSAL

BACKGROUND INFORMATION

1. On February 5, 2008, the Office of Financial Institutions, Division of Securities (the "Division") received an Application for Registration as an Agent (the "Application") of a broker-dealer (pursuant to KRS 292.330(3)), from Thomas J. Gorter (the "Applicant"). The Application became pending on February 15, 2008. Upon review of the Application and examination of the records of the Division relating to the Applicant, the Division issued a Notice of Intent To Deny the Application pursuant to KRS 292.330(4)(c) on March 3, 2008. The Division concluded, based upon its examination of the Applicant's records, that the Applicant had engaged in dishonest or unethical practices in the securities business in violation of KRS 292.330(12)(a)(7) on at least one occasion and that denial of the Application was appropriate and would be in the public interest.

2. The Applicant has denied that he engaged in any dishonest or unethical practice and that the denial of his Application was not appropriate or in the public interest.

3. After entry of the Notice of Intent To Deny the Application, the Applicant formally requested an administrative hearing and this matter was assigned for hearing pursuant to KRS Chapter 13B.

4. Without admitting liability, but to resolve this matter without further litigation or administrative or adversary proceeding, the Applicant and the Division have agreed to compromise this dispute in accordance with the terms set forth herein below:

#### **AGREEMENT AND ORDER**

1. The Parties agree that the negotiation of this Settlement Agreement and Order of Dismissal and its execution do not constitute an admission of wrongdoing, fault or liability by any party, nor any evidence of the truth of any matter alleged or the validity or invalidity of any assertion.

2. The Division agrees to withdraw its Notice of Intent To Deny Application upon entry of this Agreed Order and to conditionally approve Applicant's Application to register as a registered representative of a broker/dealer. The Applicant is not presently qualified by education or license to act as an investment adviser or an investment adviser representative and unless and until he is so qualified, Applicant cannot and may not act as an investment adviser, investment adviser representative, or solicitor and may not hold himself out to the general public as such in Kentucky.

3. As a registered representative of a broker/dealer, Applicant may not serve in a supervisory or managerial position in his broker/dealer office or firm.

4. Applicant's license to do business as a registered representative in Kentucky is suspended for a period of six months. However, Applicant shall be credited

for the period of time during which his application as a registered representative was pending (beginning February 15, 2008).

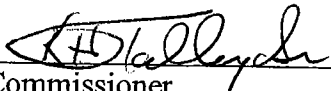
5. Applicant shall pay a fine to the Department of Financial Institutions in the amount of Two Thousand Five Hundred Dollars (\$2,500), payable in equal or roughly equal installments, to be agreed upon by counsel, over a period of six months following the date of entry of this Order. All checks should be made payable to the "Kentucky State Treasurer" and sent to the attention of William Owsley, Office of General Counsel, Department of Financial Institutions, 1025 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601.

6. Upon approval of his Application and contracting with a licensed broker/dealer, Applicant and the broker/dealer shall enter into a Compliance Undertaking, Conditional Registration and Heightened Supervision agreement, which shall remain in effect for a period of twenty four (24) months.

Accordingly, it is hereby ORDERED that the above action is dismissed with prejudice by agreement of the parties, subject to and in accordance with the terms and conditions set forth above. The Department of Financial Institutions shall retain jurisdiction over this matter for purposes of enforcement of the terms and conditions of this Order. This is a final order.

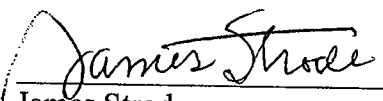
Entered this 26<sup>th</sup> day of August, 2008.

*[Signature Page To Follow]*

  
Commissioner  
Department of Financial Institutions  
1025 Capital Center Drive  
Suite 200  
Frankfort, KY 40601  
(502) 573-3390

Consented to:

  
Thomas J. Gorter

  
James Strode  
Director  
Division of Securities