

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

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 56396 / September 12, 2007**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-12653**

---

**In the Matter of** )  
 )  
 )  
 **CHRIS G. GUNDERSON, ESQ.** )  
 )  
 **Respondent.** )

---

**ORDER DENYING MOTION TO LIFT TEMPORARY SUSPENSION AND  
DIRECTING HEARING**

On June 6, 2007, we instituted proceedings against Chris G. Gunderson pursuant to Rule 102(e) of this Commission's Rules of Practice and temporarily suspended him from appearing or practicing before the Commission.<sup>1</sup>

On February 21, 2007, the U.S. District Court for the Southern District of New

---

<sup>1</sup> Rule 102(e)(3) of the Commission's Rules of Practice (17 C.F.R. § 201.102(e)(3)) provides in relevant part that:

- (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 . . . who has been by name:
  - (A) permanently 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) found by any court of competent jurisdiction in any 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.

York entered a permanent injunction against Gunderson in an action brought by this Commission.<sup>2</sup> The order permanently enjoined Gunderson from violating, directly or indirectly, Section 5 and Section 17(a) of the Securities Act of 1933<sup>3</sup> and Section 10(b) of the Securities Exchange Act of 1934<sup>4</sup> and Exchange Act Rule 10b-5.<sup>5</sup>

The Court found that Gunderson and others issued and distributed more than 500 million shares of unregistered stock in violation of Section 5 of the Securities Act of 1933. To create the appearance that the issuances qualified for registration on Form S-8, the Court found that Gunderson prepared questionable “consulting agreements.” The Court also found that Gunderson informed Universal Express Inc.’s transfer agent that the stock was validly registered, even though it was not.

The Court also found that Gunderson and others engaged in a fraudulent scheme to defraud investors by issuing false or misleading press releases announcing large funding commitments that would enable Universal Express to acquire other companies. The Court found that Gunderson drafted or edited the press releases and then reviewed and approved them before their release, and that the statements in the releases were “at best misleading and sometimes wholly fantastical.” Each of these press releases was followed by a substantial increase 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.

Gunderson argues that the Commission lacks jurisdiction to impose the temporary suspension because the injunction does not constitute a final order or judgment within the meaning of the Rule. Gunderson has filed an appeal in the Second Circuit challenging the propriety of the Court’s order on which the Commission’s temporary suspension is based. Gunderson also argues that at all times he acted in good faith reliance on the pertinent provisions of the United States Bankruptcy Code, Universal Express’s Plan for Reorganization, and the Bankruptcy Court’s order confirming the plan for reorganization. In opposition to Gunderson’s petition, the Office of the General Counsel argues that Gunderson impermissibly attempts to relitigate his liability for securities law violations, lifting the temporary suspension is not in the public interest, and Gunderson is not likely to succeed on the merits of his appeal.

Rule 102(e)(3) permits the Commission to suspend any attorney or other professional or expert who has been permanently enjoined from violating or aiding and abetting the violation of the Federal securities laws or found to have violated or aided and abetted the violation of the Federal securities laws. The findings of the Court, which Gunderson is precluded from contesting in this proceeding, as well as the injunction

---

<sup>2</sup> SEC v. Universal Express, Inc., Civil Action No. 04-2322 (S.D. N.Y.).

<sup>3</sup> 15 U.S.C. § 77e and 15 U.S.C. § 77q(a).

<sup>4</sup> 15 U.S.C. § 78j(b).

<sup>5</sup> 17 C.F.R. § 240.10b-5.

issued against him justify the continuance of his suspension until it can be determined what, if any, action may be appropriate to protect this Commission's processes.<sup>6</sup> As provided in Rule 102(e)(3)(iii), we will set the matter down for a public hearing.

Accordingly, IT IS ORDERED that the petition of Chris G. Gunderson to lift our order of temporary suspension be, and it hereby is, denied; and

It is further ORDERED that this proceeding be set down for a public hearing before an administrative law judge in accordance with Rule 110 of our Rules of Practice. As specified in Rule 102(e)(3)(iii), the hearing in this matter shall be expedited in accordance with Rule 500 of our Rules of Practice. Therefore, it is ORDERED that the administrative law judge shall issue an initial decision no later than 120 days from the date of service of this Order.

By the Commission.

Nancy M. Morris  
Secretary

---

<sup>6</sup> See Rule 102(e)(3)(iv) (providing that the petitioner may not contest any finding made against him or her).