

# Arkansas Insurance Department

Asa Hutchinson  
Governor



Allen Kerr  
Commissioner

July 25, 2016

Delivered by First Class Mail and Certified Mail,  
Parcel No. 7009 1680 0002 2606 2606 5026

Carla Chastain  
5302 VILLAGE PKWY STE 10  
ROGERS, AR 72758-8139  
NPN: 833309

## AMENDED NOTICE OF HEARING

You are hereby notified that an administrative hearing has been scheduled pursuant to Ark. Code Ann. § 23-61-303 and other applicable provisions of Arkansas law, before Insurance Commissioner Allen Kerr, as Hearing Officer, or his designee, on August 19, 2016, at 1:30 p.m. in the First Floor Hearing Room, Arkansas Insurance Department ("Department"), 1200 West Third Street, Little Rock, Arkansas. The Respondent, Carla Chastain, has the right to be represented by legal counsel of your own choosing at this proceeding. Additionally, the Commissioner will obtain a competent reporter to record the hearing. You may avail yourself of other privileges, including the Department's assistance to subpoena any needed witnesses or records. The purpose of this hearing is to consider the following allegations against you including:

- 1) Respondent has failed to report to the insurance commissioner several administrative actions as required by Ark. Code Ann. § 23-64-517, including:
  - a. Arkansas Securities Commission Case Number S-03-039-04-AC, issued in 2005, revoking her as an investment advisor representative and issuing a fine of \$100,000.
  - b. Oklahoma Insurance Department Case 08-1496-DIS in 2008.

2) Respondent made untrue statements on her January 2015 insurance producer renewal application, a violation of Ark. Code Ann. § 23-64-512(a)(1). Specifically, Respondent stated that she had not been named or involved as a party in an administrative proceeding which has not been previously reported to the insurance department. Respondent has had several administrative actions that have not been reported on her producer renewal applications, including Arkansas Securities Commission Case Number S-03-039-04-AC in 2006, Oklahoma Insurance Department Case 08-1496-DIS in 2008, and Arkansas Insurance Department Case 2013-76 in 2013.

3) Respondent violated Ark. Code Ann. § 23-64-512(a)(2) in that she issued several advertisements that were not in compliance with insurance agency regulations. Specifically, Respondent has used advertising materials in which she refers to herself as a "Investment Adviser Representative," "IRA Distribution Specialist," and a "Local Retirement Specialist." Respondent failed to include her Arkansas Insurance License number on several advertisements as required by A.I.D. Directive 2-2008.

Each of these issues shall be presented at your hearing, but the Department is not limited to only these allegations may our investigations uncover further wrongdoing.

Your verbal or written notification that you have received this notice of hearing must be received in this office within ten (10) days of your receipt. If your notification is not received by the Department within ten (10) days, any and all expenses incurred by the Department in continuing the hearing or in notification of witnesses, including but not limited to, phone calls, issuance of subpoenas and postage, will be charged to the party or parties requesting such continuance. If you

or your attorney determines that a continuance or an earlier hearing is necessary,  
or you have questions or concerns, please contact me at (501) 371-2829.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Gray Turner". The signature is written in a cursive, flowing style.

Gray Allen Turner  
Associate Counsel, Legal Division