Arkansas Insurance Department

Asa Hutchinson
Governor

Allen Kerr
Commissioner

December 8, 2015

Samuel Phillips
3401 Meandering Ct
Fort Smith AR 72903
NPN 7472368

Via U.S. Mail and Certified Mail Return Receipt
No. 7009 1680 0002 2606 1868

NOTICE OF HEARING

Dear Mr. Phillips:

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 January 26, 2016, at 9:00 a.m. in the First Floor Hearing Room, Arkansas Insurance Department ("Department"), 1200 West Third Street, Little Rock, Arkansas. The purpose of this hearing is to allow you to appeal the Department's suspension of your Resident Producer License. The allegations that will be addressed at the hearing include:

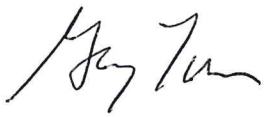
1. Under the provisions of Ark. Code Ann. §23-64-512(4) a producer may not improperly withhold, misappropriate, or convert any money or properties received in the course of doing insurance business. Mr. Phillips, while acting as a producer, has misappropriated funds from several consumers. In 2014, Mr. Phillips moved approximately $214,599.00 of funds belonging to a Mr. and Mrs. Brodie from four Equitrust accounts to Paradigm Financial Partners, LLC, of Barling, Arkansas. Since the money was placed in a new account, Mr. Phillips has failed to respond to the Brodies and they were never provided with copies of new policies.

2. Under the provisions of Ark. Code Ann. §23-64-512(a)(17) a producer must cooperate with the commissioner in an investigation when required by the commissioner. Mr. Phillips failed to appear at an investigative conference, failed to return phone message from Arkansas Insurance Department investigators, and failed to provide the Arkansas Insurance Department with a copy of requested files.

You have the right to represent yourself or 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.

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 is necessary, or you have questions or concerns, please contact me at (501) 371-2829.

Sincerely yours,



Gray Allen Turner
Associate Counsel, Legal Division