

**BEFORE THE INSURANCE COMMISSIONER  
FOR THE STATE OF ARKANSAS**

**IN THE MATTER OF  
JAMES L. VARNER  
TULSA, OKLAHOMA  
DATE OF BIRTH: 11-11-40**

**A.I.D. NO. 2006-039A**

**CONSENT ORDER**

On this day, the matter of JAMES L. VARNER ("Respondent"), of Tulsa, Oklahoma, came before Julie Benafield Bowman, Arkansas Insurance Commissioner ("Commissioner"). The parties stipulate to the following facts and applicable laws. The parties consent to the entry of this Order.

**JURISDICTION AND AUTHORITY**

1. That the Insurance Commissioner has jurisdiction over the parties and subject matter pursuant to Ark. Code Ann. § 23-61-103.
2. That Respondent is currently licensed as a non-resident insurance producer in the State of Arkansas. Respondent's address of record at the Arkansas Insurance Department is 8839 South Lakewood, Tulsa, Oklahoma 74137. Respondent's date of birth is November 11, 1940. He currently holds Arkansas Non-Resident Producer License #34429.
3. That the Commissioner may place on probation, censure, suspend, revoke, refuse to issue, refuse to renew a license, and or levy a civil penalty for each violation of the Producer Licensing Act pursuant to Ark. Code Ann. § 23-64-216 (Supp. 2005) and Ark.

Code Ann. § 23-64-512 (Supp. 2005). Informal disposition of this matter may be made by consent order.

### **STIPULATION OF FACTS**

A. The Respondent attempted to renew his license on or about September 16, 2006, which was due to be renewed on November 11, 2006. Producer licenses are annual licenses which renew on an individual licensee's birth date.

B. When the Respondent applied for renewal, he notified the Commissioner of a prior suspension of his resident state producer license in Oklahoma in writing. The Respondent notified the Commissioner that he had altered his expired Oklahoma producer license to indicate an issue date of November 20, 2005 and an expiration date of November 20, 2006. He then submitted a copy of this altered Oklahoma producer license to Guardian Life Insurance Company of America.

C. By Consent Order, the Oklahoma Insurance Commissioner suspended Respondent's resident producer license from April 1, 2006 through June 29, 2006. The Respondent also paid a \$1,000 fine. Respondent's Oklahoma producer license has since been renewed and is in good standing with the Oklahoma Insurance Commissioner.

D. By an Emergency Suspension Order dated September 26, 2006, the Commissioner suspended Respondent's Arkansas Non-Resident Producer license pending an investigation.

E. On November 20, 2006, Respondent attended an informal investigative conference with Arkansas Insurance Department's Chief Counsel, Jean Langford, Legal Division.

### **AGREED CONCLUSIONS OF LAW**

1. Respondent violated Ark. Code Ann. § 23-64-216(a)(1) and Ark. Code Ann. § 23-64-512(a)(1) by altering his producer license in his home state of Oklahoma.
2. Respondent complied with Ark. Code Ann. § 23-64-517(a) by self-reporting the administrative proceeding against his license in Oklahoma.
3. Respondent failed to report a prior bankruptcy proceeding pursuant to Ark. Code Ann. § 23-64-517(a).
4. Respondent failed to report a prior hold placed on his license by the Oklahoma Tax Commissioner, which he was required to do pursuant to Ark. Code Ann. § 23-64-517(a).

### **ORDER**

It is hereby ordered and agreed by the Insurance Commissioner and agreed to by the Respondent that the Respondent's producer license shall be suspended from the date of the initiation of these proceedings September 26, 2006, until November 22, 2006. Thereafter, the Respondent's producer license shall be renewed in accordance with the provisions of this Consent Order.

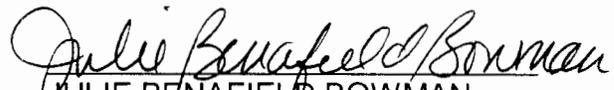
The Respondent's producer license is placed on probation for a period of two (2) years from the date of entry of this order or until November 22, 2008, whichever comes sooner. This probation shall not affect Respondent's ability to function pursuant to the laws governing his Non-Resident producer license in the State of Arkansas.

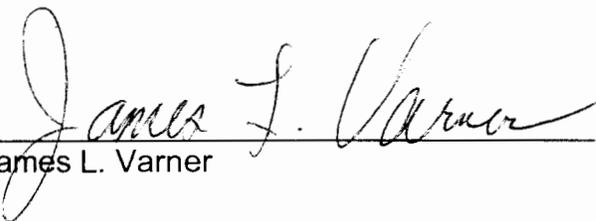
The Respondent has agreed to attend sixteen (16) hours of continuing education in ethics during the course of his probationary period in Arkansas Department-approved courses under Rule 50.

It is further ordered by the Insurance Commissioner and agreed to by the Respondent that a \$1,000 civil fine is imposed against Respondent; except said fine shall be suspended and is not owed pending the successful completion of Respondent's probationary period and the completion of 16 hours of continuing education courses.

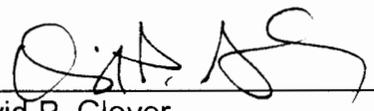
The Arkansas Insurance Department shall renew Respondent's Non-Resident producer license and shall contact in writing all of Respondent's appointing insurance companies on Department records, notifying them of the good standing of his Arkansas producer license pursuant to this Consent Order.

IT IS SO ORDERED this 19<sup>th</sup> day of December, 2006

  
JULIE BENAFIELD BOWMAN  
INSURANCE COMMISSIONER  
STATE OF ARKANSAS

  
James L. Varner

**APPROVED AS TO FORM:**

  
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