BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS

IN THE MATTER OF
JAMES VERNON BISHOP
LICENSE NO. 21876

A.I.D. NO. 2007-062 A

AMENDED EMERGENCY LICENSE SUSPENSION ORDER

On this day the emergency matter of James Vernon Bishop ("Respondent") came before Julie Benafield Bowman, Arkansas Insurance Commissioner ("Commissioner"). The Arkansas Insurance Department ("Department") was represented by Zane A. Chrisman, Associate Counsel. From the facts and law before the Commissioner, she finds:

FINDINGS OF FACT

1. The Commissioner has jurisdiction over the parties and subject matter pursuant to Ark. Code Ann. §23-61-103 and the authority to issue summary license suspensions and/or order payment of penalties under Ark. Code Ann. §§ 23-60-108, 23-64-216(e), 23-64-512(a), and 23-66-408.

2. Respondent is licensed as a resident life and accident and health agent and holds Arkansas resident producer license #21876. Respondent's address is 2025 Singley Road, Little Rock, Arkansas, 72206. Respondent held an appointment with Arkansas Community Care, Inc., Conseco Insurance Company, Humana Insurance Company, Marquette National Insurance Company, Mutual of Omaha Insurance Company, Oxford Life Insurance Company, United Security Life and Health Insurance Company, United World Life Insurance Company, and Woodmen of the World and/or Assured Life Association.

3. On June 28, 2007, Adult Protective Services ("APS") received a report stating that Mary Delp, age 79, might be at risk of being financially taken advantage of by Respondent, who, after working as her insurance agent for approximately four to five years, had taken over all of Ms. Delp's financial transactions, was driving Ms. Delp's car, and was using Ms. Delp's credit card, and claimed to have a power of attorney signed by Ms. Delp.

investigate the complaint. Ms. Delp answered the door wearing only a t-shirt and underwear, and was unaware of the inappropriateness of her state of dress. She also appeared disheveled, dirty, and had signs of incontinence on her legs. During the interview she indicated that she had lived in the house since 1901, did not know who the president was, and continually referred to two other women in the home. She complained that one of the women was in the closet "messing up" her clothes. The investigators could not locate these women. They determined that she had seriously impaired vision and needed to search around the room to find the person to whom she was speaking. The investigators also noted that Ms. Delp was unable to comprehend how to answer the phone, could not answer specific questions, was unaware of her finances, and could not describe the type of car that she owned. Ms. Delp additionally told the investigators that Respondent was going to marry her and that he would not be happy with the investigators interference.

5. The investigators learned that Ms. Delp had recently started a new life insurance policy in addition to her other policies. Also, her financial records showed that there were approximately $800.00 in checks written to Respondent for "baseball sponsorships" between June and July 2007. Ms. Delp told the investigators that she thought she had only given Respondent two dollars ($2.00) for the baseball sponsorships.

6. On July 5, 2007, Ms. Delp was placed into Emergency Custody, and a probable cause hearing set for July 10, 2007.

7. On July 6, 2007, Ms. Cook and Mr. Jeanneret went to Regions Bank where Ms. Delp had an account and inventoried her safety deposit box. The box contained various papers and coins. The box had not been accessed since September 2006. A diamond ring valued at $10,000.00, which had been alleged by a friend to be in box, was not present.

8. Later the same day, Ms. Cook and Mr. Jeanneret contacted Respondent to inform him that Ms. Delp was in protective custody and to return the car and any financial documents related to Ms. Delp. Shortly after the call, Respondent arrived at Ms. Delp's home with JoAnn Bishop, and Donna Grissom.

9. During Ms. Cook's and Mr. Jeanneret's interview with Respondent, Mrs. Bishop, and Ms. Grissom, Ms. Grissom stated that the power of attorney had been entered into in June 2007. Ms. Grissom indicated that Ms. Delp was aware of what she was doing at the time, but that Ms. Grissom had initialed the form based upon Ms. Delp's verbal answers. Respondent then noted that Ms. Delp needed this additional help because her mind was starting to go.

10. Respondent then told Ms. Cook and Mr. Jeanneret that he had been driving Ms. Delp's car with her written permission since January 2007. Ms. Delp continued to pay the insurance and the gas on the car.

11. Ms. Cook and Mr. Jeanneret asked Respondent to unlock a filing cabinet containing the financials and followed Respondent to the other room. As they walked in behind him, they observed Respondent throwing a small white packet into the filing cabinet. The packet contained two (2) Visa cards, one (1) Kroger card, and one (1) Discover card. Respondent then told Ms. Cook and Mr. Jeanneret that Ms. Delp had approximately $80,000.00 in annuities that he had moved around, several life insurance policies naming Ms. Delp's sister as beneficiary, and a life insurance policy through Pyramid Life, No. LF0039451R, taken out on November 21, 2006, for $8,000.00 naming Respondent's wife, JoAnn Bishop, as the beneficiary. Respondent stated the last policy was taken out to pay for Ms. Delp's cremation, two weeks off of work and travel expenses for Respondent to deliver her ashes to California, the cost of a boat, and for the cost of a minister to preside in a funeral ceremony for her remains. Respondent also stated that the $10,000.00 ring had been given to him in September 2006, though he believed the ring to only be valued at $3,500.00.

12. On July 6, 2007, Ms. Delp was admitted to St. Anthony's Medical Center in Morrilton, Arkansas. Dr. Karen L. Young, MD, determined from her examination that Ms. Delp was legally blind with detached retina, suffered Alzheimer's dementia with delusions, suffered vascular dementia, had expressive aphasia, suffered moderate-to-severe atrophy of the brain, was dehydrated, and had osteoarthritis and emphysema. Based upon her presentation, she was scored in the late stages of dementia. Dr. Young opined that the dementia was slow to progress and not of acute onset. She additionally found that the evaluation suggested that the dementia progressed over the last

several years to severe dementia, and that Ms. Delp had needed a 24-hour guardian for the last one (1) to two (2) years.

13. On August 14, 2007, the Faulkner County Circuit Court ordered that Ms. Delp was to be placed under the guardianship of Betty Orton and Janice Barrett. The Court further found that Ms. Delp had been exploited by the Respondent. All life insurance policies and other purchases made by Respondent were found to be null and void as Ms. Delp lacked the capacity to consent to the transactions. Finally, Respondent was ordered to return any possessions, including the ring, to Ms. Delp.

14. On August 18, 2007, Respondent returned one (1) lawnmower, one (1) weed eater, one (1) briefcase, and one (1) man's diamond ring.

15. Ms. Delp passed away on August 26, 2007.

16. On September 10, 2007, Universal American Financial Corp. investigated the complaints as alleged above by requesting a statement from Respondent. Respondent replied on September 18, 2007.

17. On October 29, 2007, APS issued a finding of exploitation against Respondent.

18. On October 4, 2007, Pyramid Life Insurance Company, an affiliated company of Universal American Financial Corp., terminated Respondent "for cause." Through the same letter, Respondent was terminated from all other Pyramid affiliated companies including: Constitution Life Insurance Company, Marquette National Life Insurance Company, Pennsylvania Life Insurance Company and American Pioneer Life Insurance Company.

19. Respondent was disciplined by the Department on June 3, 2003, by Letter of Warning for "churning" insurance in violation of Ark. Code Ann. § 23-66-206 and § 23-66-307. That complaint was related to his behavior in replacing life insurance for Ms. Alice Cornett. Ms. Cornett, age 81, alleged that Mr. Bishop "barged" into her home, presented her with a letter to surrender her life insurance policies, forced her to sign the letter surrendering her policies and forced her to take out a new policy with his company. Respondent denied these allegations.

VIOLATIONS

Respondent is in violation of:

20. Ark. Code Ann. §23-64-216(a) (1) which provides that a license may be suspended or revoked for violation of any of the causes listed in Ark. Code Ann. § 23-64-512;

21. Ark. Code Ann. § 23-64-512(a)(2) which provides that a license may be suspended or revoked for violating any insurance laws, or violating any regulation, subpoena or order of the commissioner or of another state's insurance commissioner;

22. Ark. Code Ann. § 23-64-512(a) (8), which provides that a license may be suspended or revoked for using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state of elsewhere;

23. Ark. Code Ann. § 23-66-307(a) (1), which provides that a licensee must provide reasonable and professional service to each insured;

24. Ark. Code Ann. § 23-66-307(a) (2), which provides that a licensee must exercise discretion and good faith in the sales presentation or transaction;

25. Ark. Code Ann. § 23-64-506(e) (1) & (2), which provide that a resident applicant or producer must be deemed by the commissioner to be competent, trustworthy, financially responsible, and of good personal and business reputation, and that such qualifications must continue for an individual to remain licensed.

PENALTIES

26. The Department seeks sanctions, up to and including revocation of Arkansas insurance agent license of Respondent, pursuant to Ark. Code Ann. §23-64-216, Ark. Code Ann. 23-60-108, financial penalties pursuant to § 23-64-216(d) based upon the above findings of fact.

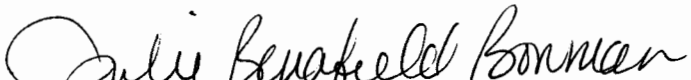
27. Due to the gravity of the allegations and averments, it is found that a public emergency exists for the immediate suspension of Respondent's Insurance License.

28. Any and all licenses issued by the Department, whether acquired by the Respondent, James Vernon Bishop, for being a broker, agent, solicitor, or consultant in this State, are hereby suspended pending a promptly instituted hearing on the above matter.

29. The Department reserves the right to amend this Emergency License Suspension Order to include additional violations of state law.

30. A Hearing on these matters and seeking to revoke all insurance licenses of the Respondent will be held on March 10, 2008, at 1:00 p.m. in the first floor hearing room of the Arkansas Insurance Department, located at 1200 West Third, Little Rock, Arkansas 72201.

IT IS SO ORDERED THIS 14th day of February, 2008.



JULIE BENAFIELD BOWMAN
INSURANCE COMMISSIONER
STATE OF ARKANSAS