

BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS

IN THE MATTER OF
JAMES ROBERT CRAWFORD, LICENSE NO. 273988
AND
SAFETEY OF SENIORS, INC., LICENSE NO. 270235

A.I.D. NO. 2009- 025

EMERGENCY SUSPENSION ORDER

On this day the emergency matter of James Robert Crawford ("Crawford") and Safety of Seniors, Inc. ("Agency") (collectively "Respondents"), came before Jay Bradford, 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, he finds:

FINDINGS OF FACT

1. The Commissioner has jurisdiction over the parties and subject matter pursuant to Ark. Code Ann. §23-61-103, §23-64-216 and 23-64-512, among other laws; 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. Crawford is licensed as a resident Accident, Health, Sickness, and Life, agent and holds Arkansas resident producer license #273988. Respondent's address is 1017 Leatherstocking Trail, Mountain Home, Arkansas 72653. Crawford's date of birth is August 14, 1940. Crawford holds appointments with Allianz Life Insurance Company of North America, American Investors Life Insurance Company of Topeka, Kansas, Inc., American National Insurance Company, EquiTrust Life Insurance Company, Forethought Life Insurance Company, Humana Insurance Company, OM Financial Life Insurance Company, and Washington National Insurance Company.
3. Crawford is president of Agency and maintains a principal place at 711 Bradley Drive, Mountain Home, Arkansas 72654. Agency focuses on sales to senior citizens.

4. The Department has received complaints concerning the advertising of Respondents, which after review appeared misleading and did not clearly identify Respondents as an insurance producer or insurance agency and did not provide license numbers. The advertisements portray that they offer "Estate and Retirement Planning" services and "Financial Planning Consultant" services.

5. The Department has also received a complaint concerning radio advertisements by Respondents which indicate that Crawford uses "nursing home protection" as a benefit of annuities. Respondent responded to the Department concerning this sales tactic and stated he does not emphasize nursing home protection to clients, but if he is asked, he says, "In Arkansas, certain annuities may be exempt from nursing home spenddown [sic]." Respondent further stated that he never uses this as a major selling tool. However, most marketing materials and scripts for radio advertisements that have been reviewed have emphasized this and implied that it was customary for annuity products to have this benefit, which is not true and is misleading to consumers.

6. On March 18, 2008, The Securities Department entered a Cease and Desist Order against Respondents.

7. The March 18, 2008 Order found that Respondents were not licensed securities agents, broker-dealers, or investment advisors, yet Crawford provided investment advice in several letters to four (4) Arkansas residents suggesting that they sell/liquidate their securities investments and put the funds into annuity products. Some of the letters stated that the consumer would earn 6%-9% interest with no danger of ever losing any money. Crawford also wrote scripts for consumers to use while contacting their broker in order to liquidate their accounts.

8. All four (4) of the consumers followed Crawford's investment advice and sold or liquidated their securities in order to purchase various annuity products from Crawford. While Crawford did not charge the consumers a fee for any of the investment advice, Respondents did receive sales commissions for the sale of the annuity products for these consumers. The Securities Department therefore found that Respondents did receive indirect payments of compensation for the investment advice provided to these four (4) consumers.

9. The Securities Department found that Respondents had violated Ark. Code Ann. § 23-42-301(c) by transacting business in Arkansas as an investment advisor or a representative of an investment adviser without first being registered with the Securities Department.

10. Respondents were ordered to immediately cease and desist from providing investment advice and transacting business as investment advisors or representatives of an investment advisor in Arkansas until they are properly registered under the Arkansas Securities Act with the Securities Department. Respondents have the right to request a hearing within thirty (30) days of the date of the Securities Department's Order. If no hearing is requested, the Order will remain in effect until it is modified or vacated by the Securities Commissioner.

VIOLATIONS

Respondent is in violation of:

11. 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;

12. 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 or elsewhere;

13. Arkansas Rule 17, which provides that every advertisement shall state the name of the insurance agent, the agent's address, and notification that the person is an insurance agent;

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

15. 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.

16. At the upcoming hearing detailed in the enclosed Notice of Hearing, the Department seeks administrative penalties and sanctions, up to and including revocation of the Arkansas insurance license of Respondents based on the above allegations.

CONCLUSIONS OF LAW

17. Based on the allegations contained herein, Respondents are in violation of Ark. Code Ann. § 23-64-216, § 23-64-512, § 23-66-307, § 23-64-506, and Arkansas Rule 17.

IT IS THEREFORE ORDERED AND ADJUDGED, as follows:

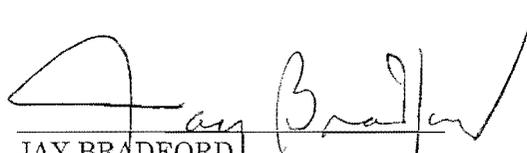
1. Due to the gravity of the allegations and averments, it is found that a public emergency exists and the public welfare imperatively requires emergency action of the immediate suspension of Respondents' insurance licenses.

2. Pursuant to Ark. Code Ann. § 23-64-216(e), any and all licenses issued by the Department, whether acquired by Respondents, Crawford and Agency, for being a broker, agent, agency, solicitor, insurance producer, or consultant in this State, are hereby suspended, pending a promptly instituted hearing on the above matter. Respondent's failure to appear at the administrative hearing will prompt a recommendation to the Commissioner and the hearing officer to immediately revoke all insurance licenses issued to Respondent.

3. The Department reserves the right to amend and/or supplement the facts contained in this Order to include additional violations of state law, with notice to Respondents.

4. A Notice of Hearing is enclosed. At the Hearing, the Department will seek to revoke all insurance licenses of Respondents based on the above allegations.

IT IS SO ORDERED THIS 30th day of March, 2009.


 JAY BRADFORD
 INSURANCE COMMISSIONER
 STATE OF ARKANSAS