

BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS

IN THE MATTER OF
ROBERT KYLE STEWART,
LICENSE NO. 28899

A.I.D. NO. 2009- 037

EMERGENCY SUSPENSION ORDER

On this day the emergency matter of Robert Kyle Stewart ("Respondent"), 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. Respondent holds an inactive license as a resident Life and Variable Products agent and holds Arkansas resident insurance producer license #28899. Respondent's address is 611 East 2nd Street, Mountain Home, Arkansas 72653. Respondent's date of birth is July 31, 1961. Respondent holds no appointments.

3. On February 23, 2009, The Securities Department entered a Consent Order against Respondent.

4. The Securities Department Order found that Respondent was terminated from A.G. Edwards after an internal review that revealed that Stewart was designating himself as trust beneficiary for an 81 year old widow (A1) and a 102 year old woman (A2). Information was later discovered by the Securities Department that Stewart had borrowed \$283,734.29 from A1 in 2003. He was to pay \$5000 per year until the loan was repaid. Since 2003, only 3 payments had been

made. In 2007, A1 created a charitable trust funded with approximately \$1.6 million that resulted from a sale of stock. She was to receive \$10,000 per month for the rest of her life with the remainder to be donated to certain charities. In April 2007, Respondent was designated as the Donor Advisor to allow Respondent to determine which charities would be beneficiaries. In May 2007, Respondent, acting without the consent or knowledge of A1, submitted to the fund company a revised application that removed his name as Donor Advisor and named himself a 50% income beneficiary for his life. Stewart received \$27,610.54 from A1's trust before he was removed as an income beneficiary. While this matter was being investigated by A.G. Edwards, it discovered that Respondent had made an investment for A2 in the amount of \$200,000 to a company of which Respondent was President. This fact had not been previously disclosed to A.G. Edwards or the Arkansas Securities Department. Three additional investments were made by A2 to this company totaling \$252,914.13. This money was deposited into the company's checking account and used to buy a 2006 GMC Yukon XL, to pay gambling debts, and to pay for home improvements. All of the checks were signed by Respondent. A.G. Edwards settled accounts with both A1 and A2 for \$264,734.29 and \$345,914.13 respectively.

5. The Securities Department ordered that Respondent's securities' registrations were revoked.

VIOLATIONS

Respondent is in violation of:

12. 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;

13. 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;

14. 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.

15. At the upcoming hearing, the Department seeks administrative penalties and sanctions, up to and including revocation of the Arkansas insurance license of Respondent based on the above allegations.

CONCLUSIONS OF LAW

16. Based on the allegations contained herein, Respondent is in violation of Ark. Code Ann. § 23-64-512 and § 23-64-506.

IT IS THEREFORE ORDERED AND ADJUDGED, as follows:

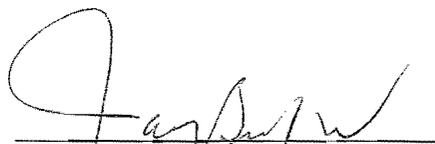
1. Due to the gravity of the allegations and averments, it is found that a public emergency exists and the public welfare imperatively requires emergency action of the immediate suspension of Respondent's insurance licenses.

2. Pursuant to Ark. Code Ann. § 23-64-216(e), any and all licenses issued by the Department, whether acquired by Respondent, 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 Respondent.

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

IT IS SO ORDERED THIS 16th day of April, 2009.



JAY BRADFORD
INSURANCE COMMISSIONER
STATE OF ARKANSAS