

BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS

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

A.I.D. NO. 2009- 055

REVOCATION ORDER

A hearing regarding the producer application of James Robert Crawford ("Crawford") and the agency license of Safety of Seniors, Inc. ("Agency") (collectively "Respondents") was held on May 19, 2009, in the hearing room of the Arkansas Insurance Department ("Department") in accordance with the provisions of the Arkansas Administrative Procedures Act and pertinent provisions of the Arkansas Insurance Code. Dan Honey, Deputy Insurance Commissioner, acted as the Hearing Officer pursuant to his designation as such by Jay Bradford, Insurance Commissioner, pursuant to Ark. Code Ann. § 23-61-103(e), § 23-61-104(a) and the Administrative Procedure Act, Ark. Code Ann. §§ 25-15-201, *et seq.* The Department was represented by Zane A. Chrisman, Associate Counsel. Respondents appeared. Based on the facts and law, the Hearing Officer finds as follows:

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 revocations 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 holds Arkansas resident producer license #273988 with designations for accident, health, sickness and life. Crawford'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, which maintains a principal place of business at 711 Bradley Drive, Mountain Home, Arkansas 72654. Agency focuses on sales to senior citizens.

4. The Department 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. The Department advised Respondents that the advertisements were in violation of Arkansas Insurance laws and rules. Respondents withdrew the advertisements for 60 days, but later resumed using the advertisements that has been previously determined to be misleading.

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 did not request a hearing of the Securities Department's Order.

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.

CONCLUSIONS OF LAW

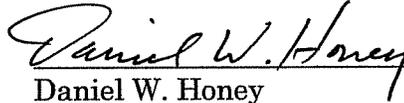
Based upon the above and foregoing Findings of Fact and the evidence before him, the Hearing Officer concludes as follows:

21. The Hearing Officer has the authority to render a decision in this matter pursuant to the Administrative Procedure Act, Ark. Code Ann. §§ 25-15-201, *et seq.* and the delegation of authority from the Commissioner.

22. The testimony and supporting documentation entered into evidence at the hearing is sufficient to make a finding that the Respondent is in violation of Ark. Code Ann. § 23-64-216, § 23-66-307, § 23-64-512, Arkansas Rule 17, and §23-64-506(e)(1) & (2).

RECOMMENDATION OF HEARING OFFICER

Upon consideration of the evidence of record, the Hearing Officer recommends that the foregoing Findings and Conclusions of Law be approved and adopted and that the licenses of the Respondents be hereby revoked.

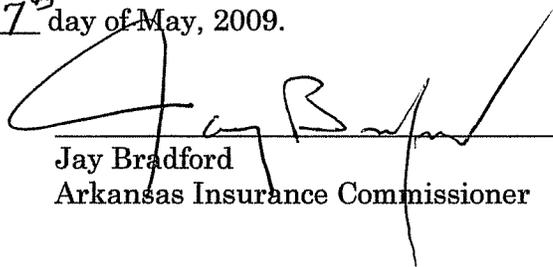


Daniel W. Honey
Deputy Commissioner and Hearing Officer

CERTIFICATION

I, Jay Bradford, Insurance Commissioner for the State of Arkansas, do hereby certify that the above and foregoing matter was conducted by Dan Honey, Deputy Commissioner and Hearing Officer, by and under my supervision, I hereby adopt the Hearing Officer's Findings of Fact, Conclusions of Law and Recommendation in full, as set forth herein.

IT IS SO ORDERED THIS 27th day of May, 2009.



Jay Bradford
Arkansas Insurance Commissioner