

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

**IN THE MATTER OF
TIMOTHY ALONZA LILLY
LICENSE NO. 122347**

A.I.D. NO. 2009- 095

CEASE AND DESIST ORDER

Now on this day the matter of Timothy Alonzo Lilly ("Respondent"), is taken under consideration by Jay Bradford, Insurance Commissioner for the State of Arkansas ("Commissioner"), as presented by Amanda Capps Rose, Associate Counsel, Legal Division of the Arkansas Insurance Department ("Department"). From the facts, matters and other things before the Commissioner, he finds and concludes as follows:

1. The Commissioner has jurisdiction over the parties and the subject matter pursuant to Ark. Code Ann. § 23-61-103.
2. Respondent was previously licensed to write accident, health and sickness, credit, and life insurance and held Arkansas Resident Producer License No. 122347, which was revoked pursuant to A.I.D. Order No. 2009-091 for the reasons stated therein. Respondent's license was revoked effective November 12, 2009.
3. Respondent is a resident of Mayflower, Arkansas.
4. Pursuant to A.I.D. Order No. 2009-091, the Respondent was ordered not to conduct the business of insurance in the State of Arkansas. Respondent was further ordered that he was not to contact any client or consumer concerning any matter related to the business of insurance.
5. On November 23, 2009, the Department received information stating that the Respondent accompanied a licensed insurance producer on a visit to one of his former clients. Upon

learning this information, two members of the Legal Division of the Department contacted the former client and inquired as to the contact with the Respondent. The consumer stated that the Respondent visited his home, at a time after his license was revoked and he was ordered not to contact his clients regarding insurance matters, and performed a rollover related to his annuity contract. The consumer further stated that he was not aware the Respondent's license had been revoked.

6. Based on the information provided by the consumer, the Department contacted the licensed insurance producer that accompanied the Respondent to the consumer's home. That producer informed the Department that the Respondent had accompanied him on visits to four (4) consumers following the entry of A.I.D. Order No. 2009-091.

7. Additionally, despite being ordered not to conduct any insurance business in this state, on November 25, 2009, the Respondent inquired of the Department whether he could sell identity theft insurance through Pre-Paid Legal Services, Inc. and whether he could act as an insurance consultant.

CONCLUSIONS OF LAW

From the Findings of Fact contained herein, the Commissioner concludes as follows:

8. The Commissioner retains jurisdiction over the Respondent following the revocation of his license pursuant to Ark. Code Ann. § 23-64-512(e) and retains the authority to impose any penalty or remedy available under the Arkansas Insurance Code.

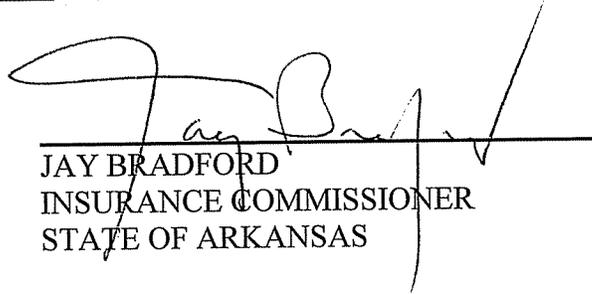
9. Respondent is in violation of the terms of A.I.D. Order No. 2009-091.

10. Respondent may request a hearing on this matter within thirty (30) days of the date this Order is executed.

IT IS THEREFORE ORDERED AS FOLLOWS:

1. Respondent is ordered to cease and desist the conduct of any insurance or insurance-related business in the State of Arkansas pursuant to the terms of A.I.D. Order No. 2009-091.

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



JAY BRADFORD
INSURANCE COMMISSIONER
STATE OF ARKANSAS