

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

**ARKANSAS INSURANCE DEPARTMENT,** )  
**Petitioner** )  
 )  
**vs.** )  
 )  
**GARY L. KARNS, JR.,** )  
**Respondent** )  
 )

**A.I.D. Order No. 2010- 088**

---

**FINAL ORDER**

---

On this day, the matter of Gary L. Karns, Jr. (“Respondent”) came before Jay Bradford, Arkansas Insurance Commissioner (“Commissioner”). A hearing was held at 1:00 p.m. on October 29, 2010 in the Hearing Room of the Arkansas Insurance Department (“Department”) pursuant to a Notice of Hearing dated October 5, 2010 received by the Respondent on October 9, 2010. The hearing was held before Managing Attorney Booth Rand (“Hearing Officer”) pursuant to his appointment by the Commissioner in accordance with Ark. Code Ann. § 23-61-103. The Department was represented by Amanda Capps Rose, Associate Counsel.

**FINDINGS OF FACT**

1. The Commissioner of Insurance has jurisdiction pursuant to the Arkansas Insurance Code, specifically Ark. Code Ann. §§ 23-61-101, *et seq.*

2. Respondent is a person currently licensed by the Department as a non-resident insurance producer with an address of record being 3465 Arlington Road, E#154, Akron, Ohio 44312. Respondent currently holds Arkansas Non-Resident Producer License Number 122228.

3. On March 11, 2010, the Utah Insurance Department issued a Cease and Desist Order against the Respondent, who held a non-resident producer license in Utah at that time.

The Cease and Desist Order alleged that the Respondent was engaged in the marketing of insurance products not underwritten by an insurer authorized to do business in Utah, creating a danger to the public welfare. Effective April 1, 2010, the Respondent's non-resident producer license in Utah was revoked for failure to appear at an administrative opinion.

4. On March 31, 2010, the Indiana Department of Insurance granted an emergency cease and desist order against the Respondent, alleging that the Respondent was not a licensed producer in Indiana and, further, that the "health plans" he marketed were not authorized in Indiana.

5. On June 23, 2010, the Oklahoma Insurance Department issued a Cease and Desist Order directing the Respondent to cease the conduct of unauthorized insurance business in Oklahoma.

6. On August 30, 2010, the Ohio Department of Insurance issued to the Respondent a Notice of Opportunity for Hearing, alleging that the Respondent is not suitable to be licensed as an insurance producer. Ohio is the Respondent's domiciliary state.

#### **CONCLUSIONS OF LAW**

7. The following are grounds for revocation of the Respondent's Arkansas Resident Producer License pursuant to Ark. Code Ann. § 23-64-512(a):

- a. Violating any insurance laws;
- b. Using dishonest practices, demonstrating untrustworthiness or financial irresponsibility; and
- c. Having an insurance producer license or its equivalent denied, suspended, or revoked in any other state.

**ORDER**

It is therefore the decision of this Department to REVOKE the Arkansas Non-Resident Producer License of Gary L. Karns, Jr., No. 122228.

**IT IS SO ORDERED THIS 1<sup>st</sup> DAY OF NOVEMBER, 2010.**

  
\_\_\_\_\_  
BOOTH RAND  
MANAGING ATTORNEY