

BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS

ARKANSAS INSURANCE DEPARTMENT,)
PETITIONER)
)
VS.)
)
JERAD BROTHERS)
RESPONDENT)

A.I.D. NO. 2015- 052

REVOCATION ORDER

On this day, the matter of Jerad Brothers (“Respondent”) came before Allen Kerr, Arkansas Insurance Commissioner (“Commissioner”). The Arkansas Insurance Department (“Department”) is represented by Gray Allen Turner, Associate Counsel, in this matter. From the facts and law before him, the Commissioner finds as follows:

FINDINGS OF FACT

1. Respondent's Arkansas Resident Producer License, National Producer Number 16215825, was suspended on March 23, 2015 by A.I.D. No. 2015-024. Respondent's last reported address is Benton, Arkansas.
2. Mr. Brothers, while acting as a producer, has misappropriated funds from several consumers.
3. On February 24, 2015, Mr. Brothers called the Benton Police Department and gave a taped statement to Detective Dustin Hamm. In the statement, Mr. Brothers admitted to misappropriating funds belonging to his previous employer, the Herzfeld Insurance Agency

4. On September 12, 2013, Justin Bramlet paid Mr. Brothers \$270.00 for an automobile insurance policy. Mr. Brothers never obtained the insurance policy for Mr. Bramlet.

5. In June of 2013, Ann Saunders paid \$92.00 in cash to Mr. Brothers for a marine policy. Mr. Brothers never obtained the insurance policy for Mrs. Saunders.

6. Darren Hurt gave Mr. Brothers a check payable to DF&A for \$1,436.14. Mr. Brothers deposited the check into his own account.

7. On July 18, 2014, Terra Gilbert wrote a check for \$2,502.00 payable to Herzfeld Insurance for home and camper insurance. Mr. Brothers endorsed the check and had the \$2,502.00 deposited into his personal account.

8. On May 15, 2014, Al and Mona Hixon wrote a check to Herzfeld Insurance for \$733.20 for homeowner's insurance. Mr. Brothers deposited the check into his personal account.

9. On March 20, 2014, James Swindle wrote a check to Herzfeld Insurance for \$677.00. Mr. Brothers endorsed the check and had it deposited into his personal account.

10. On September 15, 2014, Duke Wholesale wrote a check to Mr. Brothers for \$2910.00 for a down payment on an insurance premium. The funds were not used to pay the insurer.

11. Mr. Brothers told Alecia Simpson he would obtain automobile insurance for her. Mr. Brothers failed to obtain insurance for Mr. Simpson and she was

assigned forced-placed coverage. Mrs. Simpson had to pay \$165.00 because of Mr. Brothers' misrepresentations.

12. The Herzfeld Agency reimbursed its customers as follows: Gilbert Auto was paid \$2,052; Jason Schlau was paid \$1,755.00, Alecia Simpson was paid \$165.00; Duke wholesale was paid \$2,885.00, A.J. Hixon was paid \$803.36; and James Swindle was paid \$682.06.

13. An administrative hearing was held in this matter and was completed on April 15, 2015. Respondent was made aware of his right to legal counsel at all administrative functions and chose not to attend the hearing or be represented by counsel.

CONCLUSIONS OF LAW

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

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

1. The Commissioner has jurisdiction over the parties and the subject matter pursuant to Ark. Code Ann. § 23-61-103.

2. Under the provisions of Ark. Code Ann. §23-64-512(4) a producer may not improperly withhold, misappropriate, or convert any money or properties received in the course of doing insurance business.

RECOMMENDATION OF THE HEARING OFFICER

WHEREFORE, based upon the foregoing Findings of Fact, Conclusions of Law, and other matters before him, the Hearing Officer recommends:

1. Respondent's Arkansas Resident Producer License, NPR No. 16215825 should be revoked.
2. Jared Brothers should be ordered to pay restitution in the amount of \$8342.42 to the Herzfeld Insurance Agency within 90 days of this order.



LENITA BLASINGAME
CHIEF DEPUTY COMMISSIONER
AND HEARING OFFICER

CERTIFICATION

I, Allen Kerr, Insurance Commissioner for the State of Arkansas, do hereby certify that the above Findings of Fact, Conclusions of Law, and Recommendations of the Hearing Officer were made by and under my authority and supervision by Lenita Blasingame, Chief Deputy Commissioner and Hearing Officer in this proceeding. I hereby adopt the Hearing Officer's Findings of Fact, Conclusions of Law, and Recommendation in full and enter this Order.

THEREFORE, it is hereby ORDERED that:

1. Respondent's Arkansas Resident Producer License No. 16215825 is REVOKED. Respondent shall not conduct the business of insurance in the State of Arkansas unless and until he obtains producer license at a future date consistent with the provisions of Ark. Code Ann. §23-64-217(b).

2. Jared Brothers is hereby ordered to pay restitution in the amount of \$8342.42 to the Herzfeld Insurance Agency, 546 W Carpenter St., Benton, AR 72015 within 90 days of this order.

IT IS SO ORDERED THIS 1st day of June, 2015.

A handwritten signature in black ink, appearing to read 'Allen Kerr', written over a horizontal line.

ALLEN KERR
INSURANCE COMMISSIONER
STATE OF ARKANSAS