

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

**ARKANSAS INSURANCE DEPARTMENT,**     )  
**Petitioner**                                     )  
   )  
**vs.**   )  
   )  
**KEITH WARREN THOMAS**                     )  
**Respondent**                                     )

**A.I.D. NO. 2015- 017**

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**REVOCATION ORDER**

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On this day, the matter of Keith Warren Thomas (“Respondent”) came before Allen Kerr, Arkansas Insurance Commissioner (“Commissioner”). The Arkansas Insurance Department (“Department”) is represented by Amanda Capps Rose, Associate Counsel, in this matter. From the facts and law before him, the Commissioner finds as follows:

**FINDINGS OF FACT**

1. Respondent holds an Arkansas Resident Producer License, National Producer Number 3212454, and resides in McRae, Arkansas.
2. On May 16, 2006, the Arkansas Securities Department issued a Cease and Desist Order against the Respondent, which was then supplemented by a Modification of Cease and Desist Order on July 20, 2006.
3. Respondent answered “No” on his producer license application in 2008 to the question of whether he had been involved in an administrative action, which specifically states that a cease and desist order qualifies.
4. It was reported to the Department’s Consumer Services Division on or about June 2, 2014, that the Respondent had taken funds from a consumer with the promise of a large return

on his investment. The consumer gave the Respondent five thousand five hundred dollars (\$5500.00) to invest in the German market as suggested by the Respondent.

5. Many months passed, and the consumer was unable to reach the Respondent or obtain his paperwork regarding the investment.

6. On September 3, 2014, the consumer was granted a judgment in the amount of five thousand five hundred dollars (\$5500.00) plus court costs in the Searcy District Court, Case No. SESC-14-485. That judgment is incorporated herein by reference.

7. On the Respondent's most recent producer license renewal application, he answered "No" to questions regarding whether he had a money judgment against him or had been found liable in any lawsuit. He submitted the renewal application on September 18, 2014. He also answered "No" on the renewal application when asked about any administrative actions against an occupational license.

8. An administrative hearing was held on this matter before Lenita Blasingame, Chief Deputy Commissioner and designated Hearing Officer, on January 13, 2015.

9. Respondent testified that no funds had been returned to the consumer at the time of the hearing.

### **CONCLUSIONS OF LAW**

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 and other provisions of the Arkansas Insurance Code.

2. Pursuant to the Arkansas Insurance Code, the Commissioner may revoke an insurance producer's license for providing incorrect, misleading or materially untrue information in a license application. Ark. Code Ann. § 23-64-512(a)(1). Pursuant to Ark. Code Ann. § 23-

64-512(a)(3), the Commissioner may also revoke an insurance producer's license for obtaining or attempting to obtain a license through misrepresentation or fraud.

3. Improperly withholding or converting any funds received in the course of doing insurance business is grounds for the revocation of an insurance producer's license pursuant to Ark. Code Ann. § 23-64-512(a)(4). Failing to return the five thousand five hundred dollars (\$5500.00) to the consumers who made a complaint at the Department also demonstrates fraudulent and dishonest practices, incompetence, untrustworthiness, financial irresponsibility and a lack of good personal and business reputation, all of which are grounds for revocation pursuant to Ark. Code Ann. § 23-64-512(a)(8).

4. Respondent's failure to return the funds to the consumer or properly appropriate the funds as directed by the consumer is a breach of the Respondent's fiduciary duty and a theft of property pursuant to Ark. Code Ann. § 23-64-223.

5. The Commissioner has authority to order restitution in cases when any provision of the Arkansas Insurance Code has been violated. Ark. Code Ann. § 23-61-110(a)(3).

#### **RECOMMENDATIONS 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. That the Respondent's Arkansas Resident Producer License, National Producer Number 3212454, should be immediately revoked;

2. Respondent should be ordered to pay the amount adjudicated by the Searcy District Court on September 22, 2014 in Case No. SESC-14-485 within thirty (30) days of the date of this Revocation Order; and

3. That this Revocation Order should supersede A.I.D. Order No. 2014-439.

  
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 Recommendations in full and enter this Order.

**IT IS THEREFORE ORDERED:**

1. In consideration of the Commissioner's Findings of Fact and Conclusions of Law, the Respondent's Arkansas Resident Producer License, National Producer Number 3212454, is hereby immediately revoked.

2. Respondent is ordered to pay the amount adjudicated by the Searcy District Court on September 22, 2014 in Case No. SESC-14-485 within thirty (30) days of the date of this Revocation Order.

3. That this Revocation Order shall supersede A.I.D. Order No. 2014-439.

**IT IS SO ORDERED** this 4<sup>th</sup> day of February, 2015.

  
ALLEN KERR  
INSURANCE COMMISSIONER  
STATE OF ARKANSAS