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STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE
AND
DIVISION OF BANKING AND SECURITIES

In the Matter of:)
)
JESSIE DAVE HOLMES)
)
Insurance Licensee)
Unregistered Investment Adviser)
_____)

Division of Insurance Case No. D 14 -14
Division of Banking and Securities Order No. 14-1012-S

STIPULATED AGREEMENT AND ORDER

The Division of Insurance (DOI), the Division of Banking and Securities (DBS), and
Jessie Dave Holmes (Holmes) the insurance licensee and unregistered investment adviser in
this case, stipulate and agree to the following:

I. BACKGROUND

A. On or about November 7, 2005, DOI issued insurance producer license number
49456 to Holmes.

Jessie Dave Holmes
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B. On or about April 6, 2012, Holmes' insurance producer license lapsed due to his failure to timely renew or cancel his license and his license remained in lapsed status until reinstated on or about May 11, 2012.

C. On or about March 17, 2014, DOI received a consumer complaint alleging Holmes misrepresented an insurance product and opened an investigation into the matter.

D. On or about March 19, 2014, DOI investigators alerted DBS of the consumer complaint against Holmes.

E. On or about March 30, 2014, Holmes' insurance producer license lapsed due to his failure to renew his license.

F. On or about May 12, 2014, DBS opened an investigation into the matter.

G. DOI's investigation revealed

(i) numerous misrepresentations to Alaska consumers by Holmes regarding insurance products including their nature, terms, accessibility of funds, rates of return, death benefit amounts, changeability of accounts, fees, and premiums due;

(ii) numerous failures by Holmes to respond to Alaska consumers' inquiries;
and

(iii) Holmes transacted business as an insurance producer during the periods his insurance producer license number 49456 was in lapsed status.

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2 H. DBS's investigation revealed numerous actions by Holmes acting as an
3 investment adviser in Alaska by advising Alaska residents to withdraw funds from their
4 investment accounts containing securities and invest the funds in insurance products Holmes
5 was selling.

6
7 I. Holmes actions and failures in paragraphs (G) and (H) are violations of

8 (i) AS 21.27.010(a) – person must be licensed to act as or represent to be an
9 insurance producer;

10 (ii) AS 21.27.020(b)(4) – a licensee shall be a trustworthy person;

11 (iii) AS 21.36.030(a)(1) – misrepresentation;

12 (iv) AS 45.55.030(c) – a person must be registered to transact business as an
13 investment adviser; and
14

15 (v) 3 AAC 26.778(a) – lack of knowledge of annuity product.
16

17 J. The director of DOI, under AS 21.27.410(a) and AS 21.27.440(a)(3), may
18 revoke a license for a violation of AS 21; for material misrepresentation of the terms or effect
19 of an insurance contract with intent to deceive; for conduct considered by the director of DOI
20 to reflect incompetence or untrustworthiness, or to be a source of potential injury or harm to
21 the public; and for engaging in unfair or fraudulent insurance transactions.
22

23 K. The director of DOI, under AS 21.36.910(e), may revoke a license of a person
24 who knew or should have known that the person was in violation of AS 21.36.
25

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2 L. The director of DOI, under AS 21.27.440(a)(2), may impose a civil penalty of
3 not more than \$10,000 for each violation or a civil penalty of not more than \$25,000 for each
4 violation if the director of DOI determines that the person willfully violated the provisions of
5 AS 21.27.

6
7 M. The director of DOI, under AS 21.36.910(e), may impose a civil penalty of not
8 more than \$25,000 for each violation or \$250,000 for engaging in the general business practice
9 in violation of AS 21.36 if the director of DOI determines the person knew or should have
10 known that the person was in violation of AS 21.36.

11 N. The director of DBS, under AS 45.55.920(b), may impose a civil penalty of not
12 more than \$2,500 for a single violation or not more than \$25,000 for multiple violations when
13 a person knowingly or intentionally violates AS 45.55.

14
15 O. The director of DBS, under AS 45.55.920(c), may impose a civil penalty of not
16 more than \$500 for a single violation or not more than \$5,000 for multiple violations for
17 violations of AS 45.55 not covered under AS 45.55.920(b).

18 II. TERMS OF AGREEMENT

19
20 1. Holmes stipulates and agrees

21 (i) that the conduct described in paragraph G above constitutes a violation of
22 Alaska law, including AS 21.27.410(a), and that it is appropriate that the director of DOI
23 revoke insurance producer license number 49456, currently in lapse status, effective as of the
24 date this order is signed by the director of DOI;

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26 Jessie Dave Holmes
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(ii) to have his insurance producer license revoked for life and never to seek reinstatement or to reapply for an insurance license in this state again;

(iii) not to apply or otherwise seek to be registered in this state as an issuer agent, broker-dealer agent, investment adviser, or investment adviser representative at any time for the remainder of his life;

(iv) that in the event Holmes violates the terms of this agreement, Holmes will be subject to any and all sanctions authorized by the state's banking and securities laws and the state's insurance laws including imposition of a civil penalty under AS 45.55.920(b) and AS 21.27.440(a);

(v) that Holmes waives his right to a hearing and enters into this agreement voluntarily with full knowledge of all rights he may have in this matter.

2. Holmes understands that this agreement is not binding on the parties unless and until the director of DOI and the director of DBS sign the order adopting this agreement.

3. Holmes further understands that this agreement resolves the civil liability issues between the parties to this agreement related to his violation of the state's insurance laws and banking and securities laws, but he may still be subject to criminal liability.

DATED: 06/19/2014

DIVISION OF INSURANCE

By: /s/ Alex Romero
Alex Romero
Chief Investigator

Jessie Dave Holmes
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DATED: 06/19/2014

DIVISION OF BANKING AND
SECURITIES

By: /s/ Kristy Naylor
Kristy Naylor
Acting Chief of Enforcement

DATED: 06/19/2014

By: /s/ Jessie Dave Holmes
Jessie Dave Holmes

Approved as to form and content:

DATEE 06/19/2014

C. GERAGHTY
ATTORNEY GENERAL

By: /s/ Erin K. Egan
Erin K. Egan
Assistant Attorney General

ORDER

IT IS ORDERED that insurance producer license number 49456 issued to
Jessie Dave Holmes is hereby REVOKED by the director of DOI.

IT IS FURTHER ORDERED that this Stipulated Agreement and Order is

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adopted in full resolution of the civil liability issues between the parties to this agreement in these cases, and shall constitute the final order in these matters.

DATED this 23 day of June, 2014. /s/ Lori K. Wing-Heier
Lori K. Wing-Heier
Director, Division of Insurance

DATED this 20th day of June, 2014. /s/ Kevin Anselm
Kevin Anselm
Director, Division of Banking and Securities

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT
DIVISION OF INSURANCE
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