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

In the matter of: )  
)  
)  
Michael Claiborne ) ORDER NO: 12-0947-S  
(CRD #2624787) ) ORDER IMPOSING PERMANENT BAR  
) DENYING USE OF EXEMPTIONS  
) AND CONSENT TO ORDER  
)  
)  
)  
Respondent. )  
\_\_\_\_\_ )

The Director of the Department of Commerce, Community, and Economic Development, Division of Banking and Securities (the Administrator), has conducted an investigation into the conduct of Michael Claiborne (respondent), and has determined that respondent violated certain provisions of AS 45.55 et seq. (the "Alaska Securities Act") by accepting a loan from a client and from engaging in dishonest or unethical conduct.

Respondent agrees that the Administrator has jurisdiction over respondent and these matters pursuant to the Alaska Securities Act.

Respondent wishes to resolve and settle this matter with the Administrator. As evidenced by the authorized signature on this Order, respondent consents to the entry of this Order imposing a permanent bar based on the Conclusions of Law and Order. Respondent waives his right to hearing under AS 45.55.920(d).

**I. FACTS**

1. Respondent, with a last known mailing address of P.O. Box 100244 Anchorage, Alaska 99510 and physical address of 1101 Ramona St. #18, Anchorage, Alaska 99515, first became registered as a broker-dealer agent in the State of Alaska on July 5, 1999 (CRD #2624787).

1 2. From February 21, 2005 to March 17, 2009, respondent worked as a broker-dealer  
2 agent for Primerica Financial Services, Inc. (PFS), a broker-dealer firm, at its branch office  
3 located at 341 W. Tudor Rd., Suite 201B, Anchorage, Alaska 99503.

4 3. Sometime in 2006, respondent became acquainted with an individual referred to in  
5 this order as DRH. DRH also became one of respondent's clients around that time. DRH  
6 had an individual retirement account (IRA) with PFS, serviced by respondent.

7 4. In June or July of 2008, respondent had financial problems and asked DRH if he  
8 could charge some personal travel expenses to DRH's credit card. DRH agreed, and  
9 respondent charged approximately \$600 worth of travel expenses to DRH's card.  
10 Respondent repaid DRH over a period of several months.

11 5. On or about September 16, 2008, DRH gave respondent a check for \$1,000 with the  
12 payee line left blank. DRH instructed respondent to deposit the check into DRH's IRA.  
13 DRH assumed that respondent would place the appropriate name in the payee line so the  
14 check could be invested as the two had discussed. Respondent wrote his own name into the  
15 payee line and cashed the check for himself.

16 6. In late 2008 and early 2009, DRH noticed that the \$1,000 investment was not  
17 reflected on any of his PFS statements. DRH asked respondent a number of times why the  
18 investment was not on his statements and respondent assured him that it had been deposited.

19 7. In February 2009, respondent deposited \$1,000 into DRH's investment account.

20 8. On or about March 1, 2009, DRH filed a complaint with the Division regarding  
21 respondent's activities with DRH's IRA.

22 9. On or about March 17, 2009, PFS permitted respondent to resign his position in lieu  
23 of termination after learning about the converted check and the loan from DRH.

24 10. In September 2009 respondent voluntarily surrendered his insurance license issued by

1 the State of Alaska Division of Insurance.

2 11. On August 27, 2010, respondent voluntarily consented to a permanent bar from  
3 associating with any members of the Financial Industry Regulatory Authority (FINRA).

4 12. On January 4, 2012, respondent pled guilty in Alaska Superior Court to third degree  
5 theft, a violation of AS 11.46.140(a)(1), for signing DRH's check over to himself.

6 Respondent was sentenced to 180 days suspended jail time and placed on three years of  
7 probation.

## 8 II. CONCLUSIONS OF LAW

9 1. Respondent violated AS 45.55.027(1) by borrowing approximately \$600 from his  
10 client, DRH, in June or July of 2008.

11 2. Respondent engaged in dishonest or unethical conduct, a violation of AS  
12 45.55.060(a)(7), by taking a check from his client intended for his client's IRA account and  
13 cashing it for himself.

## 14 III. ORDER

15 As consideration for the acceptance of the Consent Order by the Division, respondent  
16 does hereby agree to the revocation of all existing securities registrations and/or licenses, if  
17 any, and to an Order of Permanent Bar:

18 1. Respondent shall not apply for registration as an issuer agent, broker-dealer agent or  
19 investment adviser representative in the State of Alaska.

20 2. Respondent shall not serve as an officer, director, or manager of a broker-dealer firm  
21 or investment advisory firm registered or operating in Alaska.

22 3. Respondent shall not serve as an issuer of interests in a mutual fund, money market  
23 fund, pooled-investments or similar securities and investment vehicles which are publicly  
24 offered or sold in the State of Alaska.

1 4. Respondent is denied the use of any exemptions listed in AS 45.55.900 pursuant to  
2 AS 45.55.900(d).

3 5. Respondent shall not apply for licensure as a loan originator, mortgage broker, money  
4 transmitter or delegate, or deferred deposit (Pay Day) lender or representative in the State of  
5 Alaska.

6 **IT IS SO ORDERED.**

7  
8 SUSAN BELL, Commissioner  
Department of Commerce, Community and Economic Development

9  
10 June 7, 2013

11 Date

/s/ Kevin Anselm for:

Lorie L. Hovanec, Director

Division of Banking and Securities

12  
13 **Consent to Entry of Order**

14 Michael Claiborne (respondent) hereby acknowledges that he has read the foregoing  
15 order imposing permanent bar, denying use of exemptions and consent to order (Consent  
16 Order), is aware of his right to a hearing and appeal in this matter, and has waived the same.

17 Respondent admits the jurisdiction of the Department of Commerce, Community and  
18 Economic Development, Division of Banking and Securities (Division) for purposes of  
19 settling this action and respondent further consents to entry of this Consent Order and  
20 Permanent Bar by the Division as settlement of the issues contained in this Consent Order  
21 and Permanent Bar.

22 Respondent enters into this Consent Order voluntarily and represents that no threats,  
23 offers, promises, or inducements of any kind have been made by the Division or any  
24 member, officer, employee, agent, or representative of the Division to induce respondent to

1 enter into this Consent Order.

2 Respondent understands that this Consent Order is a public document.

3

4 June 7, 2013  
Date

/s/ Michael Claiborne  
MICHAEL CLAIBORNE

5

6 SUBSCRIBED AND SWORN TO before me this 7<sup>th</sup> day of June, 2013 at  
7 Anchorage, Alaska.

7

8

/s/ Michael W. French  
Notary Public in and for Alaska  
Michael W. French  
Notary Printed Name  
My commission expires: 09/11/2016

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13 Contact Person:  
14 Kristy Naylor  
15 Securities Examiner  
16 (907) 269-7675

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