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

In the Matter of:)
LEONARD W. BROWN, JR.,)
Licensee.)
_____)

Case No. D 11-14

STIPULATED AGREEMENT AND ORDER

The Division of Insurance (division) and Leonard W. Brown, Jr. (Mr. Brown),
the licensee in this matter, stipulate and agree to the following:

I. BACKGROUND

A. Mr. Brown holds Alaska insurance producer license #22419 for life lines
authority.

B. In January 2011, the division submitted a report of a targeted market
conduct examination of Mr. Brown, MCE P-10-03, to the director. The examination was a
follow-up to a similar examination conducted in 2009 in response to complaints received by the
division. This examination covered the period August 1, 2009 through March 16, 2010, with
consideration given to records from the 2009 examination, which included transactions during
the period from September 1, 2008 through March 5, 2009.

C. The examination found several violations of Alaska insurance laws,
namely AS 21.217.010, 21.21.115, 21.21.350, 21.27.530(3), AS 21.36.030(a)(1), 21.36.040,
3 AAC 26.775, and 3 AAC 26.780. These violations subject Mr. Brown to license suspension
and civil penalties under AS 21.27.440.

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II. TERMS OF AGREEMENT

1. The division will suspend Mr. Brown's license for a period of six months, with the six-month period suspended.

2. Mr. Brown agrees to pay his client, Ms. Farnham, \$690 for the annuity surrender charges and market value adjustment she incurred. This payment must be made within six months of the date Mr. Brown is notified that the director has signed the order approving this agreement.

3. Mr. Brown agrees to pay a civil penalty under AS 21.27.440 to the division in the amount of \$12,941.56, which represents the amount of compensation paid to him by Allianz Life Insurance Company for transacting variable business, for which he was not authorized. This civil penalty must be made within nine months of the date Mr. Brown is notified that the director has signed the order approving this agreement.

4. Mr. Brown agrees to pay a civil penalty under AS 21.27.440 to the division in the amount of \$45,000, with \$30,500 suspended. The civil penalty is payable at the time Mr. Brown is notified that the director has signed the order approving this agreement as follows: \$500 per month for the first 12 months and \$750 per month for the second 12 months.

5. Mr. Brown must satisfactorily complete an annuity education course approved by the director within one year of the date the director signs the order approving this agreement. The division acknowledges that Mr. Brown has provided unofficial notification that he has already successfully completed this requirement, but Mr. Brown must request that the course provider send a copy of the grade report directly to the division so that the division can confirm that this requirement has been met.

1 6. Mr. Brown agrees to provide a copy of this fully executed agreement to
2 all the companies with whom he holds appointments and to provide the division with proof that
3 he has done so.

4 7. Mr. Brown agrees to submit to the division for review and approval
5 before use all marketing materials and suitability documents that are not produced or provided
6 for use by a licensed insurer. This requirement will continue until Mr. Brown is notified by the
7 director that these submissions are no longer required.

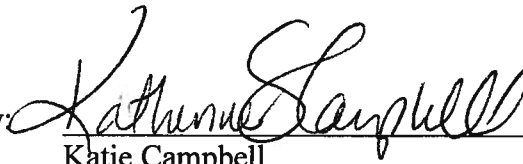
8 8. In the event Mr. Brown violates this agreement or Alaska insurance laws
9 during the next five years, the six-month license suspension referenced in paragraph 1 and the
10 suspended portion of the civil penalty referenced in paragraph 4 will be reinstated. Mr. Brown
11 also will be subject to any and all sanctions authorized by statute, including imposition of
12 additional penalties.

13 9. By signing this agreement, Mr. Brown understands and agrees that any
14 failure to comply with the terms of this agreement may be grounds to revoke, further suspend,
15 or non-renew Alaska insurance license number 22419.

16 10. Mr. Brown understands that this agreement is not binding on the parties
17 unless and until the director signs the order approving the agreement.

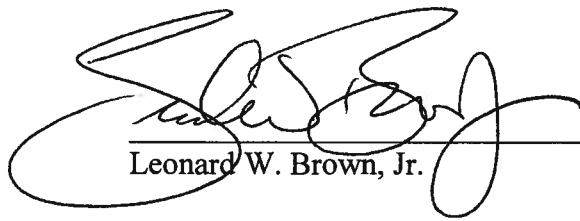
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21 DATED: 9-12-11

DIVISION OF INSURANCE

22
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24 By: 
25 Katie Campbell
26 Life & Health Actuary

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DATED: Sept 1, 2011

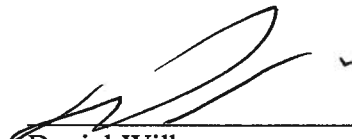

Leonard W. Brown, Jr.

Approved as to form and content:

DATED: 9/2/11

JOHN J. BURNS
ATTORNEY GENERAL

By:


Daniel Wilkerson
Assistant Attorney General

ORDER

IT IS ORDERED that this Stipulated Agreement and Order is adopted in full resolution of the issues in this case, and shall constitute the final order in this matter.

DATED this 19th day of September, 2011.


Linda S. Hall
Director of Insurance