

STATE OF INDIANA )  
 ) SS:  
COUNTY OF MARION )

BEFORE THE INDIANA  
COMMISSIONER OF INSURANCE

CAUSE NUMBER: 6126-AG08-0205-052

IN THE MATTER OF:

Erik Peter Zornes )  
 )  
Producer/Respondent )

905 E Cooper Drive )  
 )  
Muncie IN 47303 )

Type of Agency Action: Enforcement )  
 )

**FILED**

SEP 11 2009

STATE OF INDIANA  
DEPT. OF INSURANCE

License No.: 421118

**FINAL ORDER AND APPROVAL**

The Indiana Department of Insurance (“Department”) and Erik Peter Zornes (“Respondent”), a licensed Indiana resident insurance producer, signed an Agreed Entry to resolve all matters in the above captioned matter.

The Commissioner, after reviewing the Agreed Entry, finds it has been entered into fairly and without fraud, duress or undue influence, and is fair and equitable between the parties. The Commissioner hereby incorporates the Agreed Entry as if fully set forth herein, and approves and adopts in full the Agreed Entry as a resolution of this matter. (*See ‘Exhibit A’ attached hereto*)

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED by the Commissioner of Insurance:

1. Respondent shall pay a civil penalty in the amount of one thousand dollars (\$1,000.00).

2. The Civil penalty shall be paid in monthly installments of not less than one hundred dollars (\$100.00) commencing within ten days (10) from the date this Order is filed.

ALL OF WHICH IS ORDERED this 11<sup>th</sup> day of Sept., 2009.



\_\_\_\_\_  
Carol Cutter, Commissioner  
Indiana Department of Insurance

Distribution:

Laura A. Willett  
**INDIANA DEPARTMENT OF INSURANCE**  
311 West Washington Street, Suite 300  
Indianapolis, Indiana 46204-2787

Erik Peter Zornes  
c/o Michael Brown, Attorney for the Respondent  
Kightlinger & Gray, LLP  
151 North Delaware Street, Suite 600  
Indianapolis, IN 46204

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STATE OF INDIANA  
DEPT. OF INSURANCE

License No.: 421118

**AGREED ENTRY**

This Agreed Entry is executed between the State of Indiana, Department of Insurance ("Department") through Counsel Laura A. W. Levenhagen, and Erik Peter Zornes ("Respondent"), a licensed resident insurance agent, to resolve all matters in the above captioned cause. This Agreed Entry is subject to the review and approval of the Commissioner of the Indiana Department of Insurance.

WHEREAS, Respondent is a licensed resident insurance producer in Indiana, holding license number 421118;

WHEREAS, an investigation of Respondent's activities was initiated by the Department on September 21, 2007;

WHEREAS, the Department alleged that Respondent, by selling unregistered securities as prohibited by Indiana Code Section 23-2-1-3, has violated Indiana Code Section 27-1-15.6-12(b)(8) prohibiting the use of fraudulent, coercive, and dishonest practices and the

**EXHIBIT**

A

demonstration of incompetence, untrustworthiness, and financial irresponsibility in the conduct of business in Indiana;

WHEREAS, the Department alleged that Respondent, by acting as a broker-dealer or agent for the sale of securities without being registered to do so in violation of Indiana Code Section 23-2-1-1(b), has violated Indiana Code Section 27-1-15.6-12(b)(8) prohibiting the use of fraudulent, coercive, and dishonest practices and the demonstration of incompetence, untrustworthiness, and financial irresponsibility in the conduct of business in Indiana;

WHEREAS, the Department alleged that Respondent, by making untrue statements of a material fact, omitting to state material facts necessary in order to make a statement not misleading, and engaging in a course of business which operated as a fraud or deceit upon any person in connection with the offer, sale, and purchase of a security in violation of Indiana Code Section 23-2-1-12, has violated Indiana Code Section 27-1-15.6-12(b)(8) prohibiting the use of fraudulent, coercive, and dishonest practices and the demonstration of incompetence, untrustworthiness, and financial irresponsibility in the conduct of business in Indiana;

WHEREAS, the Department alleged that Respondent, by using his position as an insurance agent to persuade an Indiana resident to invest in a known investment scam, has violated Indiana Code Section 27-1-15.6-12(b)(8) prohibiting the use of fraudulent, coercive, and dishonest practices and the demonstration of incompetence, untrustworthiness, and financial irresponsibility in the conduct of business in Indiana; and

WHEREAS, the Department, upon further investigation, now alleges that Respondent did not engage in the actual sale of unregistered securities, but did allow his name to be falsely listed as the agent of record for a sale of an unregistered security, and in doing so has violated Indiana Code Section 27-1-15.6-12(b)(8) prohibiting the use of fraudulent, coercive, and dishonest

practices and the demonstration of incompetence, untrustworthiness, and financial irresponsibility in the conduct of business in Indiana;

WHEREAS, the Department and Respondent desire to resolve their differences and settle the issues without a hearing, and without making any admissions as to the underlying charges.

IT IS THEREFORE, NOW AGREED by and between the parties as follows:

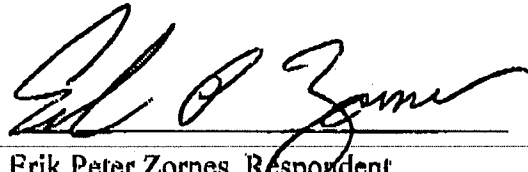
1. The Commissioner has jurisdiction over the subject matter and Respondent in this administrative action.
2. This Agreed Entry is executed voluntarily by the parties.
3. Respondent voluntarily and freely waives his right to a public hearing on this matter.
4. Respondent voluntarily and freely waives his right to petition for judicial review of this agreement and the Commissioner's Final Order.
5. Respondent agrees to pay a civil penalty in the amount of one thousand dollars (\$1,000.00).
6. Respondent agrees that the aforementioned civil penalty shall be paid in monthly installments of not less than one hundred dollars (\$100.00) commencing within ten days (10) from the date the Commissioner files a Final Order in this matter.
7. The Department agrees to accept Respondent's compliance with the terms of this Agreed Entry as full resolution of this matter.
8. Respondent is aware that failure to comply with any term of this agreement will result in the matter being set for hearing.

9. Respondent has carefully read this agreement and fully understands and accepts its terms. Respondent has been represented by counsel, Michael Brown of Kightlinger & Gray, LLP, in this matter.

8-28-09  
Date Signed


  
\_\_\_\_\_  
Laura Levenhagen, Attorney  
Indiana Department of Insurance

8/14/09  
Date Signed

  
\_\_\_\_\_  
Erik Peter Zornes, Respondent

STATE OF INDIANA )  
 ) SS:  
COUNTY OF Delaware )

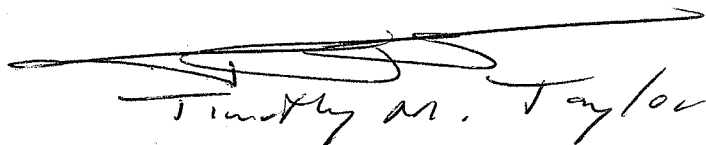
Before me a Notary Public for Delaware County, State of Indiana, personally appeared Erik Peter Zornes and being first duly sworn by me upon his oath, says that the facts alleged in the foregoing instrument are true. Signed and sealed this 20 day of August, 2009.

  
Signature

Erik Peter Zornes  
Printed

My Commission expires: 3/4/12

County of Residence: Delaware

  
Timothy M. Taylor

**Return executed originals to:**  
INDIANA DEPARTMENT OF INSURANCE  
Enforcement Division, Suite 300  
311 West Washington Street  
Indianapolis, IN 46204-2787  
317/233-4243 - telephone  
317/232-5251 - facsimile