

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

BEFORE THE INDIANA
COMMISSIONER of INSURANCE

CAUSE NUMBER: 11032-AG12-0321-020

IN THE MATTER OF:

ALVIN F. STEVENS
11425 W. Main St.
Daleville, Indiana 47334

License No. 1558090

And

A.F. STEVENS & ASSOCIATES, INC.
11425 W. Main St., PO Box 551
Daleville, Indiana 47334

License No. 2563170

Respondents.

FILED

JUN 20 2012

STATE OF INDIANA
DEPT. OF INSURANCE

FINAL ORDER

The Indiana Department of Insurance ("Department") and Alvin F. Stevens, individually and on behalf of A.F. Stevens & Associates, Inc. ("Respondents"), signed an Agreed Entry which purports to resolve all issues involved in the above captioned action, and which has been submitted to the Insurance Commissioner for approval.

The Insurance 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 Insurance 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.

IT IS, THEREFORE, ORDERED by the Insurance Commissioner:

1. Respondents shall pay a civil penalty in the amount of Five Thousand and 00/100 dollars (\$5,000.00) within ninety (90) days of the date of this Order.
2. Respondents shall pay Gwendolyn Mousa restitution for the tax liability she incurred because Respondents transacted the partial surrender of her annuity in 2011. Respondents shall pay said restitution within thirty (30) days of the Department providing Respondents' counsel with evidence of the liability incurred by Mrs. Mousa.
3. The Emergency Cease and Desist Order shall be vacated. All holds or restrictions on Respondents' PNC Bank accounts shall be released. The Department shall provide a fully executed copy of the Agreed Entry, along with this Order, to the Director of the Department of Financial Institutions and the Registered Agent of PNC Bank to facilitate Respondents' right to fully access and use said accounts.
4. Respondents' producer licenses shall be revoked permanently, effective immediately.

ALL OF WHICH IS ORDERED this 20th day of June, 2012.



Stephen W. Robertson, Commissioner
Indiana Department of Insurance

Distribution:

Adam H. Berry
Enforcement Division
Indiana Department of Insurance
311 W. Washington St., Suite 103
Indianapolis, Indiana 46204

Thomas M. Beeman
33 W. 10th St., STE 200
Anderson, Indiana 46016

David H. Mills
Department of Financial Institutions
30 South Meridian St., Suite 300
Indianapolis, Indiana 46204

PNC Bank
Attn: Registered Agent
One PNC Plaza
249 5th Ave
Pittsburgh, Pennsylvania 15222

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) SS:
COUNTY OF MARION)

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STATE OF INDIANA
DEPT. OF INSURANCE

AGREED ENTRY

This Agreed Entry is entered into by and between Adam H. Berry, attorney for and on behalf of the Indiana Department of Insurance ("Department"), and Alvin F. Stevens ("Stevens") and A.F. Stevens & Associates, Inc. ("Stevens & Associates") (collectively "Respondents"), to resolve all matters in the administrative action commenced by the Department in Cause Number 11032-AG12-0321-020. This Agreed Entry is subject to the review and approval of Stephen W. Robertson, Commissioner for the Department ("Commissioner").

WHEREAS, Stevens and Stevens & Associates are licensed resident producers holding license numbers 1558090 and 2563170, respectively; and

WHEREAS, on or about February 29 and March 8, 2012, the Department received information from Gwendolyn Mousa describing her complaint against Respondents; and

WHEREAS, since 2007, Stevens served as Mousa's agent for an annuity issued by North American Company ("NAC"); and

WHEREAS, in August of 2011, Stevens photocopied a Partial Surrender Request form, changed the date, and submitted the altered form to NAC in such a manner that it purportedly was endorsed by Mousa; and

WHEREAS, Stevens deposited proceeds from Mousa's partial surrender into Respondents' PNC bank account; and

WHEREAS, on March 23, 2012, the Department filed, and the Commissioner granted, a Motion for Emergency Cease and Desist Order ("March 23 Order"); and

WHEREAS, after receiving the March 23 Order, Stevens transferred or withdrew funds from Respondents' PNC account in violation of said order; and

WHEREAS, on April 12, 2012, ALJ Debra Webb issued an order ("April 12 Order") that stayed in-part the March 23 Order; and

WHEREAS, Respondents failed to provide proof that Respondents used the funds released by the April 12 Order to pay enumerated obligations nor did Respondents provide weekly print-outs of Respondents' PNC operating account activity to the Department, both in violation of the April 12 Order; and

WHEREAS, as of April 27, 2012, Stevens paid Mousa restitution for the underlying partial surrenders; and

WHEREAS, on or about April 28, 2012, Stevens signed another producer's name as the "Licensed Producer" on an application for a Medicare supplement policy; and

WHEREAS, Respondents' conduct, as alleged herein, constitutes violations of Ind. Code §§ 27-1-15.6-12(b)(2), (4), (8), & (10); and

WHEREAS, Respondents deny any wrongdoing alleged by the Department and deny liability for the conduct alleged herein; and

WHEREAS, the Department and Respondents desire to resolve their differences and settle the issues without the necessity of a hearing.

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

1. The Commissioner has jurisdiction over the subject matter and Respondents in this administrative action.
2. This Agreed Entry is executed voluntarily by the parties and resolves only those issues raised in the Department's Supplemental Statement of Charges.
3. Respondents voluntarily and freely waive their right to a public hearing on this matter.
4. Respondents voluntarily and freely waive their right to petition for judicial review of this agreement and the Commissioner's Final Order.
5. Stevens agrees to pay a civil penalty in the amount of five thousand and 00/100 dollars (\$5,000.00), within ninety (90) days from the date the Commissioner signs the Final Order in this matter.
6. Stevens agrees to pay restitution to Ms. Mousa for the tax liability she incurred as a result of the 2011 partial surrender within thirty (30) days of the Department providing Respondents' counsel with evidence of said liability.
7. The Emergency Cease and Desist Order shall be vacated. All holds or restrictions on Respondents' PNC Bank accounts shall be released. A fully executed copy of this agreement will

be provided to the Director of the Department of Financial Institutions and the Registered Agent of PNC Bank to facilitate Respondents' right to fully access and use said accounts.

8. Respondents agree to the permanent revocation of their producer licenses effective immediately upon the Commissioner signing the Final Order in this matter.

9. The Department agrees to accept Respondents' compliance with the terms of this Agreed Entry as full resolution of this matter.

10. Respondents are aware that the Department shall retain its investigative and enforcement authority over Respondents for alleged violations not fully known by the Department at the time the Commissioner signs the Final Order. Respondents further agree to cooperate with the Department in any future investigation or enforcement action regarding Respondents' alleged violations of insurance laws.

11. Respondents are aware that their failure to comply with any term of this agreement will result in the matter being set for hearing whereby Respondents may be subject to additional fines and penalties.


12. Should this Agreed Entry not be accepted by the Commissioner, it is agreed that presentation to and consideration of this Agreed Entry by the Commissioner shall not unfairly or illegally prejudice the Commissioner from further participation in or resolution of these proceedings.

13. The Department will cooperate with any criminal investigation that has been, or may be, initiated as a result of the allegations in this matter.


14. Respondents have carefully read this agreement and fully understand and accept its terms.

15. Respondents have been represented by counsel, Thomas M. Beeman, throughout this proceeding.

6.18.12
Date Signed

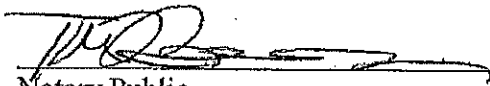

Adam H. Berry, Enforcement Attorney
Indiana Department of Insurance

6/8/12
Date Signed


Alvin Fred Stevens, individually and on behalf
of A.F. STEVENS & ASSOCIATES, INC.

STATE OF INDIANA)
) SS:
COUNTY OF MADISON)

Before me a Notary Public for Madison County, State of Indiana, personally appeared Alvin Fred Stevens, individually and on behalf of A.F. Stevens & Associates, Inc., and being first duly sworn by me upon his oath, states that the facts alleged in the foregoing instrument are true. Signed and sealed this 8 day of June 2012.


Notary Public
A Resident of Madison County

My Commission Expires:
5/1/17

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License No. 2563170

Respondents.

FILED

MAR 23 2012

STATE OF INDIANA
DEPT. OF INSURANCE

ORDER GRANTING

MOTION FOR EMERGENCY CEASE AND DESIST ORDER

The Commissioner of the Indiana Department of Insurance ("Commissioner"), having reviewed the Enforcement Division's Motion for Emergency Cease and Desist Order, and being otherwise duly advised, now finds as follows:

FINDINGS OF FACT

1. The Indiana Department of Insurance ("Department") is authorized to regulate the practice of insurers in Indiana under Ind. Code § 27-1 et seq.
2. The Commissioner may conduct proceedings and issue emergency orders pursuant to Ind. Code §§ 4-21.5-4-1(a) & 2(a)(1).

3. Respondents, Alvin F. Stevens ("Stevens") and A.F. Stevens & Associates, Inc. ("Stevens & Associates"), are licensed resident producers holding license numbers 1558090 and 2563170, respectively.

4. Stevens is the Qualifying Active Officer of Stevens & Associates.

5. Stevens has a history of consumer complaints and disciplinary action with the Department.

6. Respondents' licenses are currently suspended pursuant to the Commissioner's "Findings of Fact and Suspension Order" dated March 21, 2012.

7. Stevens serves as Mousa's insurance agent for an Annuity issued by North American Company ("NAC").

8. Stevens, or his agent, forged Mousa's name on the 2011 partial surrender request, as well as the 2010 and 2011 NAC distribution checks.

9. On or about February 28, 2012, Mousa filed a criminal complaint with the Daleville Police Department regarding Respondents' alleged criminal conduct, namely forgery.

10. The conduct at issue in the Mousa complaint appears to be not limited to a single occurrence.

CONCLUSIONS OF LAW

1. Respondents violated Indiana insurance laws and regulations in violation of Ind. Code § 27-1-15.6-12(b)(2).

2. Respondents improperly withheld, misappropriated, and/or converted money received in the course of doing insurance business in violation of Ind. Code § 27-1-15.6-12(b)(4).

3. Respondents used fraudulent, coercive, and/or dishonest practices, or demonstrated incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in Indiana in violation of Ind. Code § 27-1-15.6-12(b)(8).

4. Forging a client's signature on documents related to insurance transactions constitutes a violation of Ind. Code § 27-1-15.6-12(b)(10).

5. An emergency exists in that clients' funds must be protected from irrevocable disbursement.

6. In an emergency, the Commissioner may issue appropriate orders without notice or an evidentiary proceeding pursuant to Ind. Code §§ 4-21.5-4-1 & 2(a).

ORDER

It is, therefore, ORDERED, that Respondents must immediately CEASE AND DESIST from :

1. Any and all acts relating to the business of insurance;
2. Any and all acts in conjunction with the selling, soliciting, or negotiating insurance policies or annuity contracts;
3. Requesting any action be taken on any behalf of any client pursuant to a written authorization to act on the client's behalf;
4. Relying on any oral agreement with a client to support any action;
5. Collecting, depositing, withdrawing, or disbursing premiums, security deposits, or other funds from (or into) Respondents' PNC bank accounts, or any other of Respondents' bank accounts;

A copy of this Order will be provided to the Director of the Department of Financial Institutions as well as the Registered Agent for PNC Bank to facilitate Respondents' compliance with this Order, and to all insurance companies with whom Respondents hold appointments.

Pursuant to Ind. Code § 4-21.5-4-2, this order remains effective for 90 days commencing on the date this order is issued.

Respondents are hereby notified of their right to a hearing concerning this order pursuant to Ind. Code § 4-21.5-4-4.

INDIANA DEPARTMENT OF INSURANCE

DATE:

3/23/2012

Stephen W. Robertson
Stephen W. Robertson, Commissioner

Distribution to:

Adam H. Berry and
Nikolas P. Mann, Attorneys
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