

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

BEFORE THE INDIANA
COMMISSIONER OF INSURANCE

CAUSE NO.: 15946-AG17-0105-001

IN THE MATTER OF:

George Robert McKown
Respondent

9334 Seascap Drive
Indianapolis, IN 46256

License Number: 1714170

Type of Action: Enforcement

FILED

JAN 10 2017

STATE OF INDIANA
DEPT. OF INSURANCE

**FINDINGS OF FACT, CONCLUSIONS OF LAW,
AND EMERGENCY ORDER**

The Indiana Insurance Commissioner, being duly advised, now issues the following Findings of Fact, Conclusions of Law, and Emergency Order:

FINDINGS OF FACT

1. George Robert McKown ("Respondent") is a licensed insurance producer, holding license number 1714170.
2. On December 22, 2016, the United States Grand Jury filed an Indictment against Respondent under Cause Number 2-16CR-178 in the U.S. District Court, Northern District of Indiana (attached as exhibit A).
3. The Indictment alleges that Respondent represented himself as having experience in the investment and financial services field, although Respondent was not registered with either the U.S. Securities and Exchange Commission ("SEC") or the Indiana Secretary of State Securities Division to sell securities as a broker or dealer.

4. The Indictment alleges that Respondent promoted investment contracts and notes primarily to current and former insurance clients. The investment contracts and notes sold by Respondent were securities and were not properly registered.

5. The Indictment alleges that Respondent participated in a scheme whereby he obtained investor funds through false statements, misrepresentations and omissions of material facts and convinced his clients to surrender or liquidate long term investments, such as insurance annuities, Individual Retirement Accounts ("IRA"), pensions, and 401Ks in order to invest the funds with him. Instead of properly investing the funds received from his clients, Respondent used the funds for personal use. It is alleged that more than twenty-five (25) investors lost more than \$3.5 million dollars.

CONCLUSIONS OF LAW

6. Under Ind. Code § 27-1-15.6-12(b)(8), the Commissioner may suspend a producer's license for using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in Indiana or elsewhere.

7. Respondent, as alleged, was conducting business as a securities broker or dealer, although not properly registered to do so, and he conducted the unregistered solicitation of securities to several of his insurance clients.

8. Respondent, as alleged, participated in a scheme to obtain investments from his clients by using fraudulent, coercive, or dishonest practices and financial irresponsibility.

9. Additionally, under Ind. Code § 27-1-15.6-12(b)(4), the Commissioner may suspend a producer's license for improperly withholding, misappropriating, or converting any monies or properties received the course of doing insurance business.

10. Respondent, as alleged, advised and assisted his clients in the surrender of their long-term investments, and Respondent failed to re-invest the monies, but rather used the funds for personal use and benefit.

11. Based on the serious financial risk to Indiana consumers an emergency exists, such that an emergency order is appropriate under Ind. Code § 4-21.5-4-1.

12. This Emergency Order is issued pursuant to Ind. Code § 4-21.5-4-2(a)(1).

13. Conclusions of Law that are properly stated as Findings of Fact are incorporated herein.

ORDER

With the Findings of Fact and Conclusions of Law as stated above, the Commissioner now orders:

1. George Robert McKown's insurance producer license is hereby immediately suspended for ninety (90) days.

Under Ind. Code § 4-21.5-4-3, this Emergency Order is effective when issued. **Respondent has the right to request a hearing on this Emergency Order by filing a request for a hearing with the Department**, and if requested, an evidentiary hearing will be set on the matter as soon as practicable.

SO ORDERED this 10th day of January, 2017.


Stephen W. Robertson
Insurance Commissioner

Distribution to:

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