

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

BEFORE THE INDIANA
COMMISSIONER OF INSURANCE

CAUSE NO: 18134-AD19-0613-060

IN THE MATTER OF:)

Tamara Steele)
131 N. Pendleton Ave)
Pendleton, IN 46064)

Respondent.)

Type of Agency Action: Enforcement)

License Number: 3003280)

FILED

JUN 21 2019

STATE OF INDIANA
DEPT. OF INSURANCE

ADMINISTRATIVE ORDER AND
NOTICE OF NONRENEWAL OF LICENSE

The Indiana Department of Insurance ("Department"), pursuant to the Indiana Administrative Orders and Procedures Act, Indiana Code § 4-21.5-1 *et seq.*, and Indiana Code § 27-1-15.6-12, hereby gives notice to Tamara Steele ("Respondent") of the following Administrative Order:

1. Respondent is a licensed resident insurance producer holding license number 3003280 ("Respondent's license") since May 7, 1999.
2. Respondent's license expires on June 30, 2019.
3. On September 14, 2018, the United States District Court for the Southern District of Indiana filed a complaint against Respondent. The nature of the complaint was due to Respondent having provided fraudulent recommendations and sold over \$13 million dollars in extremely risky securities issued by a private company to her clients. It further alleges that Respondent violated her fiduciary duties stemming from the profit off high commissions from her clients and by not disclosing this commission. Allegedly,

Respondent's actions were taken without registering with the SEC. The complaint further alleges that in order to conceal the fraudulent scheme from her clients, Respondent submitted fake documents, falsely admitted to the broker-dealer that she had not engaged in any securities transactions "away from the firm". Lastly, the complaint alleges that Respondent secretly purchased securities from a client using a nominee entity.

4. On or around March 25, 2019, the Department received notification of multiple FINRA consumer dispute actions and a FINRA Office of Dispute Resolution arbitration judgment held against Respondent:

- a. On January 5, 2018, Respondent settled a consumer dispute in the amount of \$44,500.00. Respondent allegedly engaged in providing investments which were misrepresented and not suitable to the client's objectives.
- b. On May 14, 2018, Respondent settled a consumer dispute in the amount of \$130,498.00. Respondent allegedly engaged in outside business activities, sold away and private securities transactions, provided unsuitable investments, provided negligent account management, and violated portions of the Indiana Securities Act, as well as the Registered Investment Advisor Section of Indiana Securities Act, Sale of Unregistered and Non-Exempt Securities, breach of fiduciary duty, and violations of FINRA Conduct Rules and NYSE Board Rules.
- c. On June 7, 2018, Respondent settled a consumer dispute in the amount of \$54,932.00. Respondent allegedly engaged in outside business activities, selling away and private securities transactions, providing unsuitable investments, negligent account management, and violated portions of the

Indiana Securities Act, as well as the Registered Investment Advisor Section of Indiana Securities Act, Sale of Unregistered and Non-Exempt Securities, breach of fiduciary duty, and violations of FINRA Conduct Rules and NYSE Board Rules.

- d. On July 30, 2018, Respondent settled a consumer dispute in the amount of \$65,000.00. Respondent allegedly engaged in outside business activities, selling away and private securities transactions, unsuitable investments, negligent account management, and violated portions of the Indiana Securities Act, as well as the Registered Investment Advisor Section of Indiana Securities Act, Sale of Unregistered and Non-Exempt Securities, breach of fiduciary duty, and violations of FINRA Conduct Rules and NYSE Board Rules.
- e. On August 10, 2018, the FINRA office of Dispute Resolution through an arbitration entered a judgment against Respondent in the amount of \$265,489.21. Respondent allegedly engaged in outside business activities, selling away and private securities transactions, provided unsuitable investments, provided negligent account management, and violated portions of the Indiana Securities Act, as well as the Registered Investment Advisor Section of Indiana Securities Act, Sale of Unregistered and Non-Exempt Securities, breach of fiduciary duty, and violations of FINRA Conduct Rules and NYSE Board Rules.

- f. Respondent failed to report the August 10, 2018 FINRA arbitration judgment entered against Respondent to the Department within 30 days after the final disposition of the matter.
 - g. On October 17, 2018, Respondent settled a consumer dispute in the amount of \$1,181,449.00. Respondent allegedly engaged in providing investments which were misrepresented and not suitable to the client's objectives.
 - h. Respondent currently has seven (7) pending consumer disputes filed with FINRA with an outcome to be determined. The pending consumer dispute allegations are all in similar nature as the above referenced settlements.
- 5. On or around June 19, 2019, the Department received notice from Respondent's former business partner that Respondent has been misleading Respondent's former clients regarding the client's accounts, and how the former business partner acquired them.
- 6. Indiana Code § 27-1-15.6-12(b)(8) states the commissioner may refuse to renew an insurance producer 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. Indiana Code § 27-1-15.6-12(b)(2)(A) states, in part, that the Commissioner may refuse to renew an insurance producer's license for violating an insurance law.
- 8. Indiana Code § 27-1-15.6-17(a) is an insurance law, which states, in part, a producer shall report to the commissioner any administrative action taken against the producer in another jurisdiction or by another governmental agency not more than thirty (30) days after the final disposition of the matter.

9. Indiana Code § 27-1-15.6-12(d) provides that when the Commissioner refuses to renew a license, the Commissioner shall notify the Respondent, in writing, of the reasons for the nonrenewal. This Order serves as that notice.
10. The Commissioner further notifies Respondent that, pursuant to Indiana Code § 27-1-15.6-12(d), Respondent may, within sixty-three (63) days of the mailing of this Order, make a written demand upon the Commissioner for a hearing to determine the reasonableness of this action. Such a hearing shall be held within thirty (30) days from the date of receipt of Respondent's written demand.

WHEREFORE, based on the foregoing, the Commissioner of Insurance hereby notifies Respondent that **Respondent's license shall not be renewed** for having been involved in multiple FINRA consumer dispute actions which demonstrative fraudulent, coercive, and dishonest practices, and Respondent's failure to report the August 10, 2018 FINRA arbitration judgment to the Department.

6-21-2019

Date Signed



Stephen W. Robertson, Commissioner
Indiana Department of Insurance

Distribution:

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