

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

BEFORE THE INDIANA
COMMISSIONER OF INSURANCE

CAUSE NO: 19539-AG20-0713-109

IN THE MATTER OF:)
)
Joseph Gargan)
3033 Wilson Blvd., Ste. 272)
Arlington, VA 22201-3868)
Respondent.)
Type of Agency Action: Enforcement)
License Number: 419583)

FILED
DEC 17 2020
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 Joseph Gargan (“Respondent”) of the following Administrative Order:

1. Respondent is a licensed nonresident insurance producer holding license number 419583 (“Respondent’s license”) since May 3, 2002.
2. Respondent’s license expired on August 31, 2020.
3. On June 24, 2020, the Department received a notification from the NAIC State RIRS Notification Alert of Respondent’s revocation of his Nebraska nonresident producer’s license.
4. On June 23, 2020, Nebraska revoked Respondent’s nonresident producer license due to Respondent’s violating unfair insurance practices, demonstrating lack of fitness, and failure to respond to a Department inquiry.

5. Respondent failed to timely report the Nebraska administrative action to the Department within 30 days of the final disposition.
6. On October 9, 2019, the Nebraska Department of Insurance received notice from Berkshire Hathaway Life Insurance Company of Nebraska that Respondent's appointment with Berkshire had been terminated for cause on September 18, 2019. Respondent's termination was due to alleged fraudulent activity, for which the Federal Bureau of Investigation was investigating.
7. A news release from the US Department of Justice wrote that Joseph Gargan was the Chief Executive Officer of the Pension Company Inc., an Arlington business that would execute settlement agreements entered into between civil litigants. Specifically, the Pension Company Inc. was hired to transfer money from civil defendants to plaintiffs and to purchase annuities on behalf of minor plaintiffs. From December 2015 to August 2019, the United States government transferred a total of \$15,925,000 to the Pension Company to purchase the annuities and execute six settlement agreement, and Respondent embezzled \$6,925,000 of this money.
8. In June of 2020, Respondent pleaded guilty to one felony count of embezzlement and one felony count of fraud.
9. On September 23, 2020, Respondent was sentenced to seventy (70) months in prison and ordered to pay more than \$9 million in restitution.
10. Respondent failed to report the felony criminal prosecution to the Department within 30 days of the initial pre-trial hearing to the Department.

11. Separately, on May 3, 2019, Respondent pleaded guilty to one count of Brandishing a Firearm, a Class 1 Misdemeanor, and one count of Reckless Handling of a Firearm, a Class 3 Misdemeanor.
12. Respondent failed to timely report misdemeanor criminal prosecution to the Department within 30 days of the initial pre-trial hearing.
13. On June 23, 2020, the State of Virginia, which is Respondent's home state, accepted a voluntary surrender of Respondent's resident producer license with an agreement that Respondent not apply for another license for five (5) years from date of surrender.
14. Respondent failed to timely report the Virginia administrative action to the Department within 30 days of the final disposition.
15. On August 31, 2020, the State of Missouri also accepted a voluntary surrender of Respondent's nonresident producer license due to Respondent's other administrative actions and criminal history.
16. Respondent failed to timely report the Missouri administrative action to the Department within 30 days of the final disposition.
17. 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.
18. Indiana Code § 27-1-15.6-8(f) is an insurance law state states, in part, a nonresident producer who receives a nonresident producer license under this section shall maintain licensure in good standing in the nonresident producer's home state.
19. Indiana Code § 27-1-15.6-17(a) is an insurance law that 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 in Indiana not more than thirty (30) days after the final disposition of the matter.

20. Indiana Code § 27-1-15.6-17(b) is an insurance law that states in part, not more than thirty (30) days after an initial pretrial hearing date, a producer shall report to the Commissioner any criminal prosecution of the producer initiated in any jurisdiction.
21. Indiana Code § 27-1-15.6-12(b)(4) states, in part, that the Commissioner may refuse to renew an insurance producer's license for improperly withholding, misappropriating, or converting any monies or properties received in the course of doing insurance business.
22. Indiana Code § 27-1-15.6-12(b)(6) states, in part, that the Commissioner may refuse to renew an insurance producer's license for having been convicted of a felony.
23. Indiana Code § 27-1-15.6-12(b)(7) states, in part, that the Commissioner may refuse to renew an insurance producer's license for admitting to having committed or being found to have committed any unfair trade practice or fraud in the business of insurance.
24. Indiana Code § 27-1-15.6-12(b)(8) states, in part, that the Commissioner may refuse to renew an insurance 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.
25. Indiana Code § 27-1-15.6-12(b)(9) states, in part, that the Commissioner may refuse to renew an insurance producer's license for having an insurance producer license, or its equivalent, denied, suspended, or revoked in any other state, province, district, or territory.

26. 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.
27. 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.
28. This is considered an agency action. This action has been initiated by the aforementioned authority. If you choose to appeal this agency action, the State of Indiana Office of Administrative Law Proceedings ("OALP") will assign an administrative law judge to preside over this matter, and subsequently you will be contacted by the OALP with more information to begin the administrative process.

WHEREFORE, based on the foregoing, the Commissioner of Insurance hereby notifies Respondent that **Respondent's license shall not be renewed** due to Respondent's felony conviction, which involved embezzlement, and for his failure to timely report multiple criminal charges, multiple administrative actions, and failing to have a home state license.

12-17-2020
Date Signed


Stephen W. Robertson, Commissioner
Indiana Department of Insurance

Distribution:

Joseph Gargan
3033 Wilson Blvd., Ste. E 272
Arlington, VA 22201-3866

Victoria Hastings, Attorney
ATTN: Phil Holleman, Sr. Investigator
Indiana Department of Insurance
311 W Washington St., Suite 103
Indianapolis, IN 46204-2787