

BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS

IN THE MATTER OF
ROBERT KYLE STEWART,
LICENSE NO. 28899

A.I.D. NO. 2009- 047

CONSENT REVOCATION ORDER

On this day, Jay Bradford, Arkansas Insurance Commissioner ("Commissioner"), Robert Kyle Stewart ("Respondent") agree to enter into this Consent Revocation Order for the reasons stated below. Respondent neither admits nor denies the Findings of Fact and Conclusions of Law set forth below. From the facts and law before the Commissioner, he finds:

FINDINGS OF FACT

1. The Commissioner has jurisdiction over the party and subject matter pursuant to Ark. Code Ann. §23-61-103, §23-64-216 and 23-64-512, among other laws; and the authority to issue summary license suspensions and/or order payment of penalties under Ark. Code Ann. §§ 23-60-108, 23-64-216(e), 23-64-512(a), and 23-66-408.

2. Respondent holds an inactive license as a resident Life and Variable Products agent and holds Arkansas resident insurance producer license #28899. Respondent's address is 611 East 2nd Street, Mountain Home, Arkansas 72653. Respondent's date of birth is July 31, 1961. Respondent holds no appointments.

3. On February 23, 2009, The Securities Department entered a Consent Order against Respondent.

4. The Securities Department Order found that Respondent was terminated from A.G. Edwards after an internal review that revealed that Respondent was designating himself as trust beneficiary for an 81 year old widow (A1) and a 102 year old woman (A2). Information was later discovered by the Securities Department that Stewart had borrowed \$283,734.29 from A1 in 2003. He was to pay \$5000 per year until the loan was repaid. Since 2003, only 3 payments had been made. In 2007, A1 created a charitable trust funded with approximately \$1.6 million that resulted

from a sale of stock. She was to receive \$10,000 per month for the rest of her life with the remainder to be donated to certain charities. In April 2007, Respondent was designated as the Donor Advisor to allow Respondent to determine which charities would be beneficiaries. In May 2007, Respondent, acting without the consent or knowledge of A1, submitted to the fund company a revised application that removed his name as Donor Advisor and named himself a 50% income beneficiary for his life. Stewart received \$27,610.54 from A1's trust before he was removed as an income beneficiary. While this matter was being investigated by A.G. Edwards, it discovered that Respondent had made an investment for A2 in the amount of \$200,000 to a company of which Respondent was President. This fact had not been previously disclosed to A.G. Edwards or the Arkansas Securities Department. Three additional investments were made by A2 to this company totaling \$252,914.13. This money was deposited into the company's checking account and used to buy a 2006 GMC Yukon XL, to pay gambling debts, and to pay for home improvements. All of the checks were signed by Respondent. A.G. Edwards settled accounts with both A1 and A2 for \$264,734.29 and \$345,914.13 respectively.

5. The Securities Department ordered that Respondent's securities' registrations were revoked.

VIOLATIONS

Respondent is in violation of:

6. Ark. Code Ann. §23-64-216(a) (1) which provides that a license may be suspended or revoked for violation of any of the causes listed in Ark. Code Ann. § 23-64-512;

7. Ark. Code Ann. § 23-64-512(a)(8) which provides that a license may be suspended or revoked for using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere;

8. Ark. Code Ann. § 23-64-506(e) (1) & (2), which provide that a resident applicant or producer must be deemed by the commissioner to be competent, trustworthy, financially responsible, and of good personal and business reputation, and that such qualifications must continue for an individual to remain licensed.

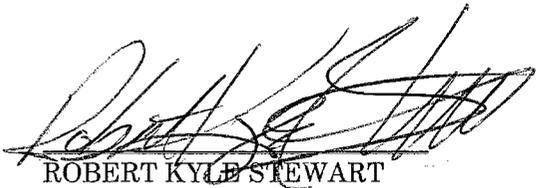
CONCLUSIONS OF LAW

9. Based on the allegations contained herein, Respondent is in violation of Ark. Code Ann. § 23-64-216, § 23-64-512, and § 23-64-506.

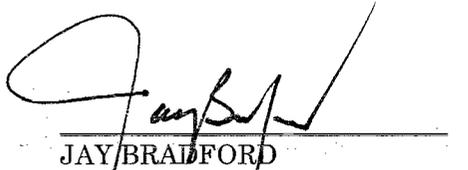
10. Considering the Commissioner's Conclusions of Law, Respondent voluntarily surrenders his insurance licenses for revocation by the Department.

THEREFORE, it is hereby ORDERED AND AGREED that: All licenses issued by the Department to Robert Kyle Stewart are revoked.

IT IS SO ORDERED THIS 22 day of April, 2009.
746 May



ROBERT KYLE STEWART



JAY BRADFORD
INSURANCE COMMISSIONER
STATE OF ARKANSAS