

**BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS**

**IN THE MATTER OF
CYNTHIA PHILLIPS**

A.I.D. NO. 2010- 067

FINAL ORDER

On this day, the matter of Cynthia Phillips (“Respondent”) came before Jay Bradford, Arkansas Insurance Commissioner (“Commissioner”). A hearing was held at 10:00 a.m. on July 22, 2010 in the Hearing Room of the Arkansas Insurance Department (“Department”) pursuant to the request of the Respondent, seeking a reversal of the Department’s decision to deny the Respondent’s application for a producer license. The hearing was held before Chief Deputy Commissioner Lenita Blasingame (“Hearing Officer”) pursuant to her appointment by the Commissioner in accordance with Ark. Code Ann. § 23-61-103. The Department was represented by Amanda Capps Rose, Associate Counsel. Also present was Fred Stiffler, Jr., Director of the License Division. Respondent was present and represented herself.

FINDINGS OF FACT

1. The Commissioner has jurisdiction over the parties and the subject matter pursuant to Ark. Code Ann. § 23-61-103.
2. On or about February 22, 2010, the Respondent submitted to the Department a Uniform Application for Arkansas Individual Resident Insurance Producer License, seeking to be licensed to sell pre-paid legal insurance.
3. In the application, the Respondent answered “No” to the question of whether she was currently charged with a crime.
4. A criminal background check revealed an arrest in December 2009 for first degree felony terroristic threatening.

5. In correspondence dated April 22, 2010, the Department denied the Respondent's application due to a 2009 arrest for terroristic threatening that had not yet been adjudicated.

6. In the application, the Respondent answered "No" to the question of whether she had ever been subject to a bankruptcy proceeding.

7. Respondent testified at the July 22, 2010 hearing that she had filed bankruptcy numerous times. A national report obtained by the Department lists five (5) bankruptcies.

8. Respondent has been sued to recover a debt on at least two (2) occasions and has at least three (3) state tax liens on her record.

9. On July 16, 2010, the Respondent was found guilty of terroristic threatening in the second degree, a misdemeanor.

CONCLUSIONS OF LAW

Based upon the above and foregoing Findings of Fact and the evidence before her, the Hearing Officer concludes as follows:

10. Pursuant to Ark. Code Ann. § 23-64-512(a)(1), (3), (8), and (15), the Commissioner may refuse to issue an insurance producer's license for any one (1) or more of the following reasons:

- (a) Providing incorrect, misleading, incomplete, or materially untrue information in an application for a license;
- (b) Attempting to obtain a license through misrepresentation or fraud;
- (c) Demonstrating a lack of good personal or business reputation or displaying financial irresponsibility; or
- (d) Failing to pay state income tax.

11. Respondent's response of "No" to the questions of whether she was currently charged with a crime and whether she had ever been subject to a bankruptcy proceeding on her

application are grounds for denial of licensure pursuant to Ark Code Ann. § 23-64-512(a)(1) and (3).

12. The finding of guilty of terroristic threatening, the filing of multiple bankruptcies, and the existence of multiple state tax liens are grounds for denial of licensure pursuant to Ark Code Ann. § 23-64-512(a)(8) as they show lack of good personal and business reputation and display financial irresponsibility.

13. The existence of multiple state tax liens on the Respondent's record shows a failure to pay state taxes and, therefore, provides grounds for denial of licensure pursuant to Ark Code Ann. § 23-64-512(a)(15).

14. Respondent's actions as set forth above warrant the Commissioner's denial of her producer application pursuant to Ark. Code Ann. § 23-64-512(a).

ORDER

It is therefore the decision of this Department to DENY the Respondent's application for licensure.

IT IS SO ORDERED THIS th 28 DAY OF JULY, 2010.


LENITA BLASINGAME
CHIEF DEPUTY COMMISSIONER
STATE OF ARKANSAS