

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

ARKANSAS INSURANCE DEPARTMENT    )  
  )  
vs.    )  
  )  
MICHAEL H. MARTIN                                    )  
  )

A.I.D. NO. 2012- 725

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**CEASE AND DESIST ORDER**

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Now on this day the matter of Michael H. Martin (“Respondent”), came before Jay Bradford, Arkansas Insurance Commissioner (“Commissioner”). The Arkansas Insurance Department (“Department”) is represented by Amanda J. Andrews, Associate Counsel, in this matter. From the facts and law before the Commissioner, he finds as follows:

**FINDINGS OF FACT**

1. Respondent holds an Arkansas Resident Producer License No. 13467 and is a resident of Hot Springs, Arkansas. Respondent is licensed in a number of lines of insurance, including property, casualty, life and health insurance.
2. The Department received an advertisement that was sent by Respondent to an Arkansas resident in which Respondent invited the consumer to a consultation and portfolio review to discuss “important issues that may impact your lifestyle, your retirement and your legacy.” For attending the consultation, the consumer is promised to receive a gift card in the amount of \$100.00 to one of three (3) restaurants. The advertisement is attached hereto as Exhibit A.
3. Along with the consultation invitation, Respondent included a biography, which stated that Respondent is an Investment Advisor Representative and President of Mike Martin Financial Services, Inc. According to the biography, the firm offers planning in areas including financial, insurance, tax and legal strategies.

4. Mike Martin Financial Services, Inc. is not a licensed entity with the Department, and the advertisement did not include the Respondent's license number, any notice that the Respondent is a licensed insurance producer, or the identity of the insurer(s) and policy forms that will be offered to the consumer.

### **CONCLUSIONS OF LAW**

From the Findings of Fact contained herein, the Commissioner concludes as follows:

5. The Commissioner has jurisdiction over the parties and the subject matter pursuant to Arkansas Code Annotated §§ 23-61-103 and 23-64-512(e).

6. It is unlawful for an insurance producer to pay or give or offer to pay or give, directly or indirectly, as an inducement to insure, any rebate, discount, abatement, credit, reduction of the premium, or any valuable consideration or inducement whatever not specified in the policy except to the extent provided for in an applicable filing with the Insurance Commissioner as provided by law. Ark. Code Ann. § 23-66-308(a).

7. A "rebate" means the act of knowingly paying, allowing, or giving or offering to pay, allow, or give, directly or indirectly, as inducement to the insurance contract any valuable consideration or inducement whatever not specified in the contract. Ark. Code Ann. § 23-66-208(10). The giving of a gift in an amount in excess of \$25.00 is considered a violation of Arkansas Code Annotated §§ 23-66-208(10) and 23-66-308(a). *See* Directive No. 2A-2011.

8. All advertisements by a life insurance producer must include certain information, including information identifying the advertiser as a licensed insurance producer, the producer license number, and the identity of the insurer(s) and policy form(s). AID Rules 17 and 99; *see also* Directive 2-2008.

9. A licensed producer must file with the Department any name under which he or she will conduct business and any change in or discontinuance of the name. Ark. Code Ann. § 23-64-210(d).

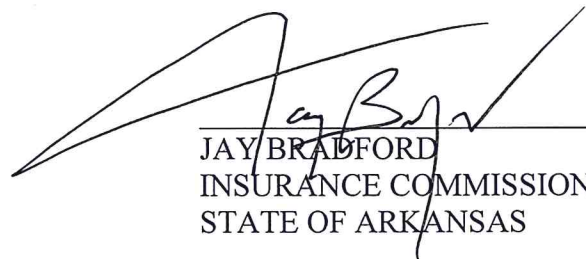
10. Respondent is a licensed insurance producer, and all advertisements disseminated by him must comply with Arkansas law. Respondent's advertisement did not contain the disclosures and information required by Rules 17 and 99, and Respondent offered a gift to the consumer in excess of \$25.00, which is an unlawful rebate. Respondent is also conducting business in the name of an entity that is not licensed with the Department or listed as a "d/b/a" under Respondent's license.

11. Respondent is in violation of a number of Arkansas laws, and it is unlawful for him to continue to disseminate the advertisement at issue or any advertisement that violates Arkansas law.

**IT IS THEREFORE ORDER AS FOLLOWS:**

Respondent is ordered to cease and desist using advertisements of any kind that violate Arkansas law.

**IT IS SO ORDERED THIS** 30<sup>th</sup> **day of** October, 2012.

  
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JAY BRADFORD  
INSURANCE COMMISSIONER  
STATE OF ARKANSAS

Dear Mr. **[REDACTED]**,

You are cordially invited to join me for a complimentary consultation to privately discuss important issues that may impact your lifestyle, your retirement and your legacy. **This is NOT a seminar event...** This exclusive offer is by invitation only and appointments are limited. This invitation entitles you to a unique consultation, completely free of charge, and after this consultation and portfolio review, as a special thank you; **you will receive a complimentary \$100 gift card to one of the restaurants listed below.** Because my calendar fills up quickly, please call (800) 390-7319 today and give RSVP code #314562.

## RETIREMENT RESCUE: When Time Is NOT On Your Side...

Many state governments are broke, the Federal budget deficit is soaring, oil prices are on the rise again, real estate is continuing to drop in value in many areas of the country, and taxes may be on the rise. Where does one put their money to help ensure a successful retirement?

*Here are some things we can discuss and of course, whatever you would like to bring to the table:*

- ✓ **Financial Recovery** – Can You Offset Market Losses Quickly and Safely?
- ✓ **The Recession** – Is it Over? How Can You Be Better Prepared for the Next Market Nose-Dive?
- ✓ **The Bear vs. The Bull** – How Can These Markets Affect Your Retirement Income?
- ✓ **Real Estate** – Can You Count On Appreciation and Home Equity as Part of Your Retirement Plan?
- ✓ **Taxes** – Are there Investment Strategies that Can Reduce Your Future Tax Burden?
- ✓ **America's Money** – How Might the Rising Federal Budget Deficit and U.S. Debt Affect Your Future Income?
- ✓ **Longevity Risks** – Will You Outlive Your Retirement Income? Who Will Take Care of You if Your Health Fails?
- ✓ **Investments** – Where Should You Invest for Growth, Income, and Stability?
- ✓ **IRA / 401(k) Management** – What Are Your Options If You've Recently Left Your Employer or Experienced Tremendous Losses? Is a Rollover or Conversion an Appropriate Option for You?
- ✓ **Inflation** – How Much Purchasing Power Do You Stand to Lose in the Next 5, 10, 15 Years?

### Receive a Valuable Second Opinion On What You're Doing Now To Help Secure Your Lifestyle!

You have many options when choosing a financial professional and I recognize that you face difficult decisions that will affect you and your family for years to come. I would like to meet you, get to know you, and discuss how I can better help you plan and manage your hard-earned money.

Please do NOT bring your checkbook... there is no cost or obligation for you to participate and nothing will be sold or offered for purchase at these meetings. However, these appointments are very limited and reservations are required. To assure a date that best works with your schedule, please call TODAY to secure your reservation.



(800) 390-7319

Your RSVP Code #.  
**314562**

Mr. **[REDACTED]**, these exclusive appointments are becoming very popular and are available on a first-come, first-served basis, so please call today to make your reservation.

Investment Advisory Services offered through Brookstone Capital Management, LLC, a SEC Registered Investment Advisor.



## Mike Martin

Michael H. Martin, Investment Advisor Representative is President of Mike Martin Financial Services, Inc. of Hot Springs, Arkansas. The mission of the firm is to "assist our clients in achieving the goals and objectives that are most important to them by integrating all areas of planning including financial, insurance, tax and legal strategies." We assist them in gaining clarity in a world of increasing complexity by serving as our client's "Personal CFO".

Through his planning strategies, Mr. Martin strives to help free his clients from the chains of financial worry so they are able to spend time doing the activities that bring them the most internal satisfaction. They are clear about what is important to them in life and understand that money is nothing more than a tool for them to use to support their value system.

Each year, Mr. Martin educates area investors by holding educational seminars open to the public and over 10,000 Arkansans have attended his educational seminars. Topics include: taking money out of IRA's tax-free, ways to potentially avoid tax on your Social Security Income, how to get long-term care protection without paying annual premiums, potentially safe investment alternatives, protecting yourself from market losses and much more.

Mr. Martin has been helping his clients to achieve their financial objectives since 1985. He is a member of the National Association of Insurance and Financial Advisors. He is a member of the prestigious Million Dollar Round Table Top of the Table which is a level of achievement accomplished by the top 1% in the industry.

Mike is happily married to his wife, Rhonda and they live in Hot Springs. They were featured in a twelve page article and interview in the August 2005 edition of Hot Springs Life and Home magazine. They enjoy spending time with their 3 children, Sherri, Michael Paul and Charlie and their 4 grand-children Carson and Gracen (twins), Alex and Braxton. They are very active members of Gospel Light Baptist Church in Hot Springs.