

BEFORE THE INSURANCE COMMISSIONER  
FOR THE STATE OF ARKANSAS

IN THE MATTER OF  
JOHN CLAYBORN  
NPN 14594507

A.I.D. NO. 2017-48

ORDER

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On this day, the matter of the Arkansas insurance producer license of John Clayborn ("Respondent") came before the Arkansas Insurance Department. A hearing was held on December 1, 2015, in the First Floor Hearing Room of the Arkansas Insurance Department ("Department") pursuant to the Notice of Hearing dated October 8, 2015. The hearing was held before Hearing Officer and Chief Deputy Commissioner Russ Galbraith ("Hearing Officer") pursuant to his appointment by the Commissioner in accordance with Ark. Code Ann. § 23-61-103(e)(1). The Department was represented by Gray Allen Turner, Associate Counsel. The Respondent was represented by Gary Jiles and Matthew Brown of Millar Jiles LLP. Subsequent to the hearing, the Commissioner entered an order revoking the Respondent's insurance producer license in A.I.D. Order 2015-102 issued December 30, 2015. Respondent filed a timely notice of appeal to Faulkner County Circuit Court. The parties agreed to mediate and a mediated agreement was reached on September 9, 2016, and is attached.

FINDINGS OF FACT

1. The Commissioner has jurisdiction over the parties and the subject matter pursuant to Ark. Code Ann. § 23-61-103.
2. Respondent holds a Arkansas Resident Producer License, NPN 14594507.
3. The Department incorporates the attached mediation agreement into this order.

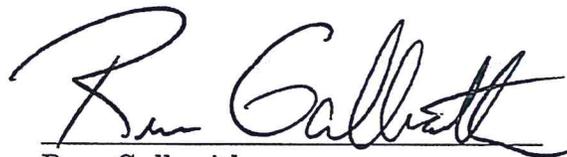
CONCLUSIONS OF LAW

4. The parties' mediated agreement is a sufficient basis to enter this final order.

## RECOMMENDATION OF HEARING OFFICER

WHEREFORE, upon consideration of the evidence of record, the foregoing Findings of Fact and Conclusions of Law, and the agreement reached by the parties in mediation, the Hearing officer recommends the following:

1. That the Arkansas Insurance Resident Producer license of Respondent John Clayborn be suspended with said suspension to end June 1, 2017.
2. Mr. Clayborn shall pay a \$10,000.00 administrative penalty which will be considered a non-appealable fine and said amount shall be listed as a judgment with the Arkansas Insurance Department. The fine shall be paid in full prior to December 30, 2018. Mr. Clayborn will be granted additional time and a payment plan to pay the fine if his financial and income situation necessitate an extension.
3. That the Respondent be placed on probation until December 30, 2017.
4. That the Respondent complete ten hours of continuing education on ethics.



Russ Galbraith  
Chief Deputy Commissioner and  
Hearing Officer

CERTIFICATION

I, Allen Kerr, Insurance Commissioner for the State of Arkansas, do hereby certify that the above Findings of Fact, Conclusions of Law, and Recommendation of the Hearing Officer were made by and under my authority and supervision by Russ Galbraith, Chief Deputy Commissioner and Hearing Officer in this proceeding. I hereby adopt the Hearing Officer's Findings of Fact, Conclusions of Law and Recommendation in full, as set forth herein.

THEREFORE, it is hereby ORDERED that the Arkansas producer's license of John Clayborn, NPN 14594507, is suspended until June 1, 2017. The Respondent shall be placed on probation until December 30, 2017. The Respondent shall pay to the Arkansas Insurance Department an administrative penalty in the amount \$10,000 by December 30, 2018. Mr. Clayborn will be granted additional time and a payment plan to pay the fine if his financial and income situation necessitate an extension. The Respondent shall complete 10 hours of continuing education in ethics. This order shall replace and rescind A.I.D. Order 2015-102.

IT IS SO ORDERED THIS 13<sup>th</sup> DAY OF June, 2017.



ALLEN KERR  
INSURANCE COMMISSIONER  
STATE OF ARKANSAS

JOHN CLAYBORN  
V.  
ARKANSAS INSURANCE  
DEPARTMENT

APPELLANT  
  
APPELLEE

MEDIATION SETTLEMENT AGREEMENT

We have participated in a mediation session September 9, 2016, and are satisfied that we have reached a fair and reasonable settlement. The settlement agreement is as follows:

1. In exchange for the Appellant dismissing his administrative appeal in Circuit Court of Faulkner County, Arkansas, Case No. 23CV-2016-107 with prejudice, the parties agree to first sign a Consent Order to be filed with the Arkansas Insurance Department stating the following terms:

a. The Arkansas Insurance Department shall reinstate the license of *John Clayborn*.

b. The license of John Clayborn shall be suspended for six (6) months beginning January 1, 2017 and ending June 30, 2017. The parties agree that Mr. Clayborn's license was revoked for a period of 30 days from the period the revocation order became effective until the Circuit Court entered an order staying the revocation pending the appeal. The parties agree that Mr. Clayborn shall receive credit for that time so that his suspension will end on June 1, 2017.

c. Upon completion of his suspension, Mr. Clayborn shall be placed on probation with the Arkansas Insurance Department. The Department shall have the express right to monitor and inspect any insurance business conducted by Mr. Clayborn including but not limited to auditing files, contracts, policies, and any other documents related to insurance business or transactions. Said probation shall terminate December 30, 2018.

d. Mr. Clayborn agrees to pay a \$10,000.00 fine which shall be considered a non-appealable fine and amount and shall be listed as a judgment with the Arkansas Insurance Department. Mr. Clayborn will enter into a payment plan with the Arkansas Insurance Department and that he will be granted a period of time to pay beyond the probationary period should his financial and income situation necessitate an extension. The obligation to pay toward the fine shall not begin until his suspension is lifted.

e. Mr. Clayborn shall be required to successfully complete 10 hours of continuing education on ethics. This requirement is in addition to the regular requirements of continuing education pursuant to the rules of the Arkansas Insurance Department.

f. Mr. Clayborn shall be required to sign an affidavit stating that during the period of time in which he was revoked referenced in paragraph 1(b), he did not conduct any business that would require him to have a valid active insurance license.

Each party shall be responsible for their own costs and attorney's fees.

We acknowledge that neither the mediator nor Hamlin Dispute Resolution, LLC has given us legal advice. We further acknowledge that we have had the right to consult with an attorney at any time and to have an attorney review the terms of this agreement before signing it.

We intend the above agreement to be a legally binding and enforceable contract.

Dated this 9th day of September, 2016

Martin Buss  
J. H. Bayler  
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Juganone L. Tipton  
Hay Turner  
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