

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

**IN THE MATTER OF  
WILLIAM H. JOHNSON, JR.,  
License No. 3924763**

**A.I.D. ORDER NO. 2018- 43**

**CONSENT ORDER OF REVOCATION OF LICENSE**

Now on this day before Allen Kerr, the Insurance Commissioner for the State of Arkansas (“Commissioner”) came the matter of William H. Johnson, Jr. (“Respondent”). The parties have reached an agreement concerning the resident funeral expense license (“funeral expense license”) issued to Respondent by the Arkansas Insurance Department (“Department”). The Commissioner is represented by Amanda Gibson, Associate Counsel. Respondent voluntarily waived his right to a hearing and hereby consents to the entry of this Consent Order of Revocation of License. From the facts and law before him, the Commissioner finds as follows:

**GENERAL STIPULATIONS**

1. It is expressly understood that this Consent Order is subject to the Commissioner’s acceptance and has no force or effect until such acceptance is evidenced by the entry of the Commissioner.
2. This Consent Order is executed for the purpose of avoiding further administrative time, expense, and action with respect to this cause.
3. Respondent fully understands that this Consent Order will in no way preclude additional proceedings by the Commissioner against the Respondent for acts or omissions not specifically

addressed in this Order or for facts and/or omissions that do not arise from the facts or transactions herein addressed.

4. Having the right to consult with legal counsel, Respondent expressly waives all further procedural steps, and expressly waives all rights to seek judicial review of, or to otherwise challenge or contest the validity of this Consent Order, the stipulations and imposition of discipline contained herein, and the consideration and entry of said Order by the Commissioner. This Order is executed in the public interest, in the best interests of the parties hereto, and it represents a compromise and settlement of the controversy between the parties. This Order is for settlement purposes only.

5. By his signature affixed below, Respondent affirmatively states that he has freely agreed to the entry of this Consent Order, that he has been advised that he may consult legal counsel and has had the opportunity to consult with legal counsel, that he waives his right to a hearing on the matters underlying this Consent Order, and that no threats or promises of any kind have been made by the Commissioner, the Department, or any agent or representative thereof.

6. The parties, by executing this Consent Order, affirmatively state their agreement to be bound by the terms of this Order and aver that no promises or offers relating to the circumstances described herein have been made, other than the terms of settlement set forth in this Order, which are binding upon them.

7. Respondent acknowledges and admits that he is no longer able to meet the requirements necessary to qualify for a funeral expense license.

8. Respondent acknowledges that the purpose of this Consent Order is to revoke his funeral expense license. Execution of this Consent Order in no way limits the Department undertaking a

criminal investigation into this matter, nor does this Order preclude any criminal punishment that may result from any future criminal investigation.

### **FINDINGS OF FACT**

1. Respondent was previously licensed as a funeral expense insurance producer. That license lapsed on December 16, 2015.
2. The complainant in this case is Mauzie Furlow.
3. Respondent issued three funeral expense policies to the complainant, dating back to 1980.
4. The first policy issued in 1980 lapsed in 1981; the second policy issued in 1995 lapsed in 2000; and the third policy issued in 2000 lapsed in 2001.
5. Respondent continued to accept premiums from the complainant even though all of the policies had lapsed. Respondent did not forward the premiums to the carrier; rather, he kept the funds for his own use.
6. The Department's investigation determined that the Respondent owed the complainant \$3,392.00. Respondent subsequently reimbursed the complainant this amount and provided to the Department, satisfactory proof of the reimbursement. The complainant also verified receipt of reimbursement.

### **CONCLUSIONS OF LAW**

1. Ark. Code Ann. § 23-60-101, *et. seq.*, assigns the responsibility for administration of the Arkansas Insurance Code to the Arkansas Insurance Commissioner. The Department is the lawful agency through which the Commissioner administers the Arkansas Insurance Code, and is authorized to bring this action for the protection of Arkansas consumers.
2. The Commissioner has jurisdiction over the parties and subject matter pursuant to Ark. Code Ann. §§ 23-40-107(a), 23-40-108, and 23-61-103.

3. The Arkansas Producer Licensing Model Act, codified at Ark. Code Ann. § 23-64-501 *et. seq.*, governs Respondent’s funeral expense license.

4. More specifically, Ark. Code Ann. § 23-64-506(e)(1) requires that in order to obtain or renew a producer’s license, the producer “must be deemed by the commissioner to be competent, trustworthy, financially responsible, and of good personal and business reputation.” Further, Ark. Code Ann. § 23-64-506(e)(2) provides that “qualifications for licensure under this section must continue in order to remain licensed.”

5. Ark. Code Ann. § 23-64-512(a) allows the Commissioner to “place on probation, suspend, revoke, or refuse to issue or renew an insurance producer’s license or may levy a civil penalty in accordance with § 23-64-216 or any combination of actions for any one (1) or more of the following causes...(4) improperly withholding, misappropriating, or converting any moneys or properties received in the course of doing insurance business;”

6. In light of the foregoing Findings of Fact and the evidence that Respondent misappropriated consumer funds, Respondent does not meet the statutory prerequisites and qualifications to hold a funeral expense license in the state of Arkansas.

7. Ark. Code Ann. § 23-64-512(e) provides that “The commissioner shall retain the authority to enforce the provisions of and impose any penalty or remedy authorized by this subchapter and the Arkansas Insurance Code against any person who is under investigation for or charged with a violation of this subchapter or the Arkansas Insurance Code, even if the person’s license or registration has been revoked, surrendered, or has lapsed by operation of law.” The Commissioner therefore has authority to revoke Respondent’s funeral expense license even though it has lapsed.

8. The Commissioner hereby concludes that the facts set forth in the Findings of Fact, above, provide grounds for the issuance of this Order.

9. Respondent's funeral expense license should therefore be revoked pursuant to the statutes cited above and Ark. Code Ann. § 23-64-217.

**ORDER**

**NOW THEREFORE**, on the basis of the foregoing and the waiver of the Respondent of his rights to a hearing and appeal under the Arkansas Administrative Procedure Act, Ark. Code Ann. §§ 25-15-201 *et. seq.*, and the admission by Respondent of the jurisdiction of the Commissioner, the Commissioner finds that the Respondent has consented to entry of this Order and that the following Order is appropriate and in the public interest.

**IT IS HEREBY ORDERED** that:

1. Respondent Johnson's funeral expense license is REVOKED.
2. Respondent is prohibited from selling any funeral expense policies and collecting premiums therefor, in the state of Arkansas.
3. The Department reserves the right to amend and/or supplement the facts contained in this Order to include violations of state law, with notice to Respondent.

**IT IS SO ORDERED, DIRECTED AND AGREED TO AS OF THE 17<sup>th</sup> DAY OF APRIL, 2018.**

  
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**ALLEN KERR  
INSURANCE COMMISSIONER  
STATE OF ARKANSAS**

*William H. Johnson Jr.*  
WILLIAM H. JOHNSON, JR.

DATE: 4-12-10