

DEC 08 2016

BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKA

FILED

| | | |
|----------------------------------|---|------------------|
| STATE OF NEBRASKA |) | |
| DEPARTMENT OF INSURANCE, |) | |
| |) | CONSENT ORDER |
| PETITIONER, |) | |
| |) | |
| VS. |) | CAUSE NO. A-2045 |
| |) | |
| PAUL D. GARNETT, |) | |
| (NAIC National Producer #896908) |) | |
| |) | |
| RESPONDENT. |) | |

In order to resolve this matter, the Nebraska Department of Insurance (“Department”), by and through its attorney, Robert M. Bell, and Paul D. Garnett (“Respondent”) mutually stipulate and agree as follows:

JURISDICTION

1. The Department has jurisdiction over the subject matter and Respondent pursuant to Neb. Rev. Stat. § 44-101.01 and the Insurance Producers Licensing Act, Neb. Rev. Stat. §§ 44-4047 to 4067.

2. Respondent was a licensed insurance producer under the laws of Nebraska at all times material hereto.

STIPULATIONS OF FACT

1. The Department initiated this administrative proceeding by filing a Petition and Notice of Hearing captioned State of Nebraska Department of Insurance vs. Paul D. Garnett (NAIC National Producer #896908), Cause No. A-2045, on September 19, 2016.

2. The Department mailed a copy of the Petition and Notice of Hearing to the business home address Respondent registered with the Department, Garnett Investment Strategies 2630 Eastside Blvd, Beatrice, NE 68310-3472, to the home address Respondent

registered with the Department, 1507 Oak, Beatrice, NE 68310, by certified mail, return receipt requested, and to the business email Respondent registered with the Department, paul@garnettinvestments.com. Respondent received a copy of the Petition and Notice of Hearing.

3. On December 6, 2016, the Department filed an Amended Petition captioned State of Nebraska Department of Insurance vs. Paul D. Garnett (NAIC National Producer #896908), Cause No. A-2045. A copy of the Amended Petition was mailed to Respondent's business address registered with the Department, Garnett Investment Strategies 2630 Eastside Blvd, Beatrice, NE 68310-3472, via certified mail, return receipt requested; and to Respondent's Counsel Robert L. Nefsky, Rembolt Ludtke, LLP, 3 Landmark Centre, 1128 Lincoln Mall Suite 300, Lincoln, NE 68508, via certified mail, return receipt requested.

4. The Amended Petition alleges that Respondent violated Neb. Rev. Stat. §§ 44-4059(1)(b), 44-4059(1)(h), and 44-4065(1) as follows:

- a. On or about December 1, 2015, Respondent signed a "Financial Industry Regulatory Authority Letter of Acceptance, Waiver and Consent No. 2013037631501," in which Respondent agreed to sanctions imposed by the Financial Industry Regulatory Authority ("FINRA") for alleged rule violations.
- b. On or about February 15, 2016, Respondent signed a "Findings of Fact, Conclusions of Law and Consent Order," in which Respondent agreed to sanctions imposed by the Nebraska Department of Banking and Finance for alleged violations of FINRA rules.
- c. On or about April 6, 2016, the Department's Administrator for the Consumer Affairs Division Jane Francis, sent a letter to Respondent requesting a written explanation of the FINRA action described in paragraph (a). Ms. Francis also stated the Department had not received from Respondent a report on the FINRA action described in paragraph (a) as required by Neb. Rev. Stat. § 44-4065.
- d. On or about April 13, 2016, the Respondent sent a reply to Ms. Francis reporting the FINRA action described in paragraph (a). The report was received over thirty days after the final disposition of the action. The Respondent's reply did not include a report of the action by the Nebraska Department of Banking and Finance described in paragraph (b).

- e. On or about August 8, 2016, Respondent sent correspondence to Ms. Francis reporting the action by the Nebraska Department of Banking and Finance described in paragraph (b). The report was received over thirty days after final disposition of the matter.

5. Respondent was informed of his right to a public hearing. Respondent waives that right and enters into this Consent Order freely and voluntarily. Respondent understands and acknowledges that by waiving his right to a public hearing, Respondent also waives his right to confrontation of witnesses, production of evidence, and judicial review.

6. Respondent neither admits to or denies the allegations alleged in paragraph 4.

CONCLUSIONS OF LAW

Respondent violated Neb. Rev. Stat. 44-4059(1)(b), 44-4059(1)(h), and 44-4065(1) and is subject to disciplinary action pursuant to Neb. Rev. Stat. § 44-4059.

CONSENT ORDER

It is therefore ordered by the Director of Insurance and agreed by the Respondent, Paul D. Garnett, that:

1. Respondent shall pay an administrative penalty of \$750 within thirty days of the date that this Consent Order is signed by the Director or his designee.
2. If Respondent fails to comply with any terms of this Consent Order, Respondent's insurance producer license shall be automatically revoked.

In witness of their intention to be bound by this Consent Order, the parties have executed this document by subscribing their signatures below.



Robert M. Bell, #22390
Attorney for Petitioner
941 O Street, Suite 400
Lincoln, NE 68508



Date

Paul D. Garnett

Paul D. Garnett
Respondent

12-6-2016

Date

STATE OF NEBRASKA)
COUNTY OF Gage) ss.

On this 6 day of December, 2016, Paul D. Garnett personally appeared before me and read this Consent Order, executed the same, and acknowledged the same to be his voluntary act and deed.

Kimba L Stierwalt

Notary Public



CERTIFICATE OF ADOPTION

I hereby certify that the foregoing Consent Order is adopted as the Final Order of the Nebraska Department of Insurance in the matter of the State of Nebraska Department of Insurance v. Paul D. Garnett (NAIC National Producer #896908), Cause No. A-2045.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE

Bruce R. Ramge
BRUCE R. RAMGE
Director of Insurance

12-8-2016
Date

CERTIFICATE OF SERVICE

I hereby certify that fully executed copies of this Consent Order were served upon Respondent as follows:

Via Regular and Certified Mail
Paul D. Garnett
Garnett Investment Strategies
2630 Eastside Blvd
Beatrice, NE 68310-3472

On this 8 day of December, 2016.

Brandis J. Coates