

MAY-30 2019

BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKA

FILED

STATE OF NEBRASKA)	
DEPARTMENT OF INSURANCE,)	CONSENT ORDER
)	
PETITIONER,)	
)	
VS.)	
)	
ELIZABETH GRIGGS WILSON,)	CAUSE NO. A-2162
(NAIC Producer #232460),)	
)	
RESPONDENT.)	

In order to resolve this matter, the Nebraska Department of Insurance (“Petitioner”), by and through its attorney, Robert E. Harkins, and Elizabeth Griggs Wilson (“Respondent”), mutually stipulate and agree as follows:

JURISDICTION

1. Petitioner has jurisdiction over the subject matter and Respondent pursuant to Neb. Rev. Stat. §§ 44.101.01, and 44-4047 to 44-4067.
2. Respondent has been licensed as a resident insurance producer under the laws of Nebraska at all times material hereto.

STIPULATIONS OF FACT

1. Petitioner initiated this administrative proceeding by filing a Petition captioned State of Nebraska Department of Insurance vs. Elizabeth Griggs Wilson (NAIC Producer #232460), Cause Number A-2162 on November 7, 2018. A copy of the Petition was properly served upon the Respondent at her registered business and residence address by certified mail, return receipt requested, and by regular U.S. mail. Respondent acknowledges receiving proper Notice of these proceedings.

2. Respondent is alleged to have violated Neb. Rev. Stat. §§ 44-4059(1)(b), 44-4059(1)(h), 44-1524(1), 44-1525(10), 44-8106, and 44-8107(2) as follows:

- a. On or about January 20, 2017, Respondent submitted an application for a Phoenix Personal Income Annuity (“annuity”) on behalf of D.L. (“Complainant”). The annuity was offered by PHL Variable Insurance Company (“Insurer”) and was a single premium deferred fixed indexed annuity contract. Based on the suitability information provided by Respondent, the Insurer issued the annuity.
- b. Respondent recommended Complainant liquidate a beneficiary IRA received by complainant after her father’s death to fund the purchase of the annuity. Respondent failed to disclose the true source of funds to the insurer in the submitted suitability information. Respondent reported the source of funds only as “checking/savings”. Respondent failed to recommend or consider other more suitable payout and reinvestment options.
- c. The liquidation of the IRA and the subsequent purchase of the annuity resulted in a significant federal tax liability including disbursement income and loss of healthcare tax credits. Complainant’s accounting firm was subsequently able to significantly reduce the tax liability after working with the IRS.
- d. Insurer subsequently voided the transaction and refunded complainant’s premium. Responding to the Petitioner’s request for information regarding this matter, insurer stated they do not accept the transfer of funds held in beneficiary IRAs as they are unable to properly administer the associated tax reporting requirements. Insurer also stated that had the source of funds been properly disclosed on the application, they

would have declined to issue the annuity. Insurer subsequently terminated Respondent's appointment, effective February 28, 2017.

- e. Respondent stated to Petitioner complainant had zero income for 2017 and it was therefore acceptable to purchase the annuity. However, the annuity application submitted by Respondent indicates complainant had an income of \$40,000.00 in 2017.
- f. Respondent indicated in the annuity application that complainant would not be in need of funds for four to five years. However, Respondent has stated to the Petitioner that Complainant had extensive debt and no income. Respondent's recommendation of a long term investment with reduced liquidity to a client with significant cash flow issues was not appropriate. In addition, Respondent failed to adequately disclose Complainant's debt load and immediate financial need in the suitability information submitted with the application.

3. Respondent neither admits nor denies the allegations in Paragraph 2

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

5. Respondent has been represented at all relevant times by her attorney Justin Kalemkarian and enters into this Consent Order after consultation with said counsel.

CONCLUSIONS OF LAW

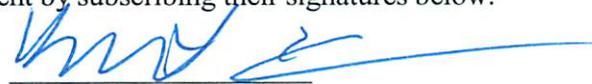
Respondent's conduct as alleged above constitutes violations of Neb. Rev. Stat. §§ 44-4059(1)(b), 44-4059(1)(h), 44-1524(1), 44-1525(10), 44-8106, and 44-8107(2), and Respondent is subject to disciplinary action pursuant to Neb. Rev. Stat. §44-4059.

CONSENT ORDER

It is therefore Ordered by the Director of Insurance and agreed by Respondent that:

1. Respondent agrees to pay an administrative fine of seven hundred and fifty dollars (\$750.00) within ninety (90) days of the adoption of this Consent Order by the Director. Respondent also agrees that her resident insurance producer license shall be immediately suspended if Respondent fails to pay the administrative fine within ninety (90) days of the adoption of this Consent Order, and that said suspension shall continue indefinitely until the administrative fine is paid in full.
2. Respondent will attend and complete at least three (3) hours of Department approved education on annuity suitability within ninety (90) days of the adoption of this Consent Order. Proof of completion of said course shall be provided to the Department, and the three hours agreed to will not count toward Respondent's continuing education requirements under Neb. Rev. Stat. § 44-3901 et. seq.
3. Failure to comply with any terms of this Consent Order shall constitute grounds for discipline against Respondent's resident producer license, and may result in additional penalties up to and including license revocation.

In witness of their intention to be bound by this Consent Order, each party has executed this document by subscribing their signatures below.



Robert E. Harkins, #20934
Attorney for Petitioner
1135 M Street, Suite 300
Lincoln NE 68501
(402) 471-2201

5/29/19
Date



Elizabeth Griggs Wilson
Respondent

May 29, 2019
Date

State of NE)
County of Lancaster) ss.

On this 29 day of May, 2019, Elizabeth Griggs personally appeared before me and read this Consent Order, executed the same, and acknowledged the same to be her voluntary act and deed.

Allison Duff
Notary Public

Approved as to form and content:

[Signature]
Justin Kalemkarian
Berry Law Firm
6940 "O" Street, #400
Lincoln NE 68510
Counsel for Respondent

5/29/19
Date

ALLISON DUFF
General Notary - State of Nebraska
My Commission Expires Feb 1, 2023

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 State of Nebraska Department of Insurance vs. Elizabeth Griggs Wilson (NAIC Producer #232460), Cause No. A-2162.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE

[Signature]
Bruce R. Range
Director of Insurance

5-30-2019
Date

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Consent Order was served upon Respondent by mailing a copy to her counsel Mr. Justin Kalemkiarian, Berry Law Firm, 6940 "O" Street, #400, Lincoln NE 68510, by certified mail, return receipt requested, and by regular U.S. mail, on this 31 day of May, 2019.

Brandis J. Bauer