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Assistant Attorney General
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Attorney General
Attorneys for Utah Insurance Department
State Office Building, Room 3110
Salt Lake City, Utah 84114
Telephone: (801) 538-3872

BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF UTAH

COMPLAINANT:

UTAH INSURANCE DEPARTMENT

RESPONDENT:

MANUEL RENE NEGRON
4386 W. Angle Pond Drive
South Jordan, UT 84095
License No. 264918

GENWEALTH ADVISORY GROUP
4386 W. Angle Pond Drive
South Jordan, UT 84095
License No. 324790

STIPULATION AND ORDER

Docket No. 2010-031 LC

Enf. Case No. 2482 (Negron)
2483 (GenWealth)

RECEIVED

FEB 27 2010

UTAH STATE
INSURANCE DEPT

STIPULATION

1. Respondent GenWealth Advisory Group (GenWealth), is a licensed insurance agency in the State of Utah, holding License No. 324790.
2. Respondent Manuel Rene Negron (Negron) is a licensed individual insurance producer in the State of Utah, holding License No. 264918, and is the president and founder of Respondent GenWealth.

3. Respondents stipulate with the Complainant, Utah Insurance Department, as follows:

- a. If a hearing were held, witnesses called by the Complainant could offer and introduce evidence that would support the Findings of Fact herein;
- b. Respondents admit the Findings of Fact and Conclusions made therefrom;
- c. Respondents stipulate to the summary entry of the Order herein which shall be in lieu of other administrative proceedings by Complainant in this matter; and
- d. Respondents and Complainant have negotiated the terms of the Order entered herein and Respondents agree to its entry and further agree to be bound by all its terms.

4. Respondents are aware of their right to a hearing at which they may be represented by counsel, present evidence and cross-examine witnesses. Respondents have irrevocably waived their right to such hearing and to any appeal related thereto.

5. Respondents admit the jurisdiction of the State of Utah Insurance Commissioner as to all matters herein.


6. Respondents are acting herein free from any duress or coercion of any kind or nature, having been advised fully as to their rights set forth herein.

7. Respondents acknowledge that the issuance of this Order by the Commissioner is solely for purpose of disposition of the matter entitled herein.

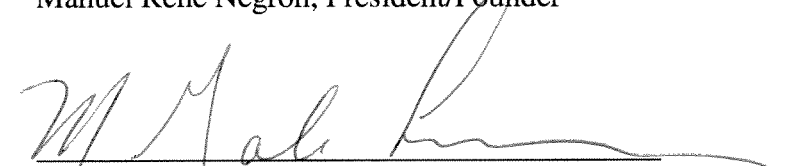
DATED this 17 day of February, 2010.



MANUEL RENE NEGRON



GENWEALTH ADVISORY GROUP
Manuel Rene Negron, President/Founder



UTAH INSURANCE DEPARTMENT
M. Gale Lemmon
Assistant Attorney General

Based upon the foregoing Stipulation and information in the file, the Presiding Officer makes the following Findings of Fact:

FINDINGS OF FACT

1. On April 16, 2009, Connie Nowland, Market Conduct Examiner, attended a seminar sponsored by GenWealth Financial and covering the topic: “*The Mistakes Annuity Owners Make.*” The seminar was held at a restaurant in Sandy, UT and included dinner for the attendees.

2. Distributed to all attendees at the seminar, were gift certificates in the amount of \$150.00, with an expiration date of May 1, 2009, and redeemable at GenWealth Financial Services for a free one-hour consultation on GenWealth financial’s “DreamWare Analysis Program.” Respondent Negrón indicated during the seminar that the value of the gift certificate was equal to one hour of his time.

3. Advertising material distributed by GenWealth Financial to attendees at the seminar held on April 16, 2009 focuses on investments in annuities and insurance; however, none of the material identifies Respondent Negrón as an insurance producer, nor does it identify GenWealth Financial as an insurance agency.

4. On April 28, 2009, examiner Nowland accessed GenWealth Financial’s internet home page and contact page at www.genwealthfinancial.com . These pages showed links to information on annuities and life insurance. Further investigation on SIRCON revealed that GenWealth Financial was conducting the business of insurance without a license.

5. On May 21, 2009, examiner Nowland accessed pages on GenWealth Financial's website which were designated and designed to provide the inquirer with a "Term Life Insurance Quote," "Universal Life Insurance Quote," and "Annuity Life Insurance Quote." Each page references GenWealth Financial at the end of the quote request.

6. On August 6, 2009, Examiner Nowland and Examiner Tammy Greening met with Respondent Negron. Negron stated that he was not aware that he could not offer gift certificates in the amount of \$150.00 redeemable at GenWealth Financial Services for "Consultation/DreamWare Analysis." Respondent also stated he was not aware that his company GenWealth Financial needed to be licensed as an insurance agency; nor was he aware that his advertising material needed to reflect that he was a licensed insurance agent and/or that his company offered insurance products.

7. On August 25, 2009, the use of "GenWealth Financial" as an agency name was denied by the Producer Licensing Division. Respondent Negron was given 45 days to present a new name for his agency to the Producer Licensing Division.

8. On September 1, 2009, GenWealth Financial was licensed under the name GenWealth Advisory Group.

Based upon the foregoing Stipulation and Findings of Fact, the Presiding Officer enters the following Conclusions of Law:

CONCLUSIONS OF LAW

1. Utah Code Ann. § 31A-23a-301 (West 2009) requires an organization to be licensed if the organization acts as an insurance producer.

2. Utah Insurance Department Rules R590-154-5 states the following:

B. A producer, limited line producer or consultant agency licensee shall comply with either of the following:

1. The agency shall include words such as “insurance agency” or “insurance consultant” or other similar words in the agency’s name.

(a) Other similar words such as “insurance services”, “insurance benefits”, “insurance counselors”, or “insurance advisors” may also be used.

(b) “Insurance consulting,” “insurance consultants” or similar words shall only be used if the agency is licensed as a consultant.

2. The agency shall state that the licensee is an insurance agency in any letterhead, business cards, advertising, slogan, emblem, or other promotional material used or distributed by the agency in the State of Utah.

3. Utah Insurance Department Rules R590-154-11 addresses inducements, gifts and merchandise given in connection with solicitation or sale of insurance. It states:

A. A licensee may not give or offer to give any prizes, goods, wares, merchandise or item of value as an inducement to enter into any insurance or annuity contract or as an inducement to receive a quote, submit an application or in connection with any other solicitation for the sale of an insurance or annuity contract. However, anything with an acquisition cost of \$3.00 or less shall not be considered an inducement.

B. Subsection A of this section does not prohibit the giving of promotional gifts or merchandise that is generally available to the public and not given in a manner to constitute an inducement to receive a quote or other solicitation or to purchase any insurance or annuity contract, nor does it prohibit insurers from providing sales incentives to producers.

4. Based on the above stipulated facts, Respondent GenWealth Advisory Group (then using the name Gen Wealth Financial) and its president and founder Respondent Manuel Rene

Negron were in violation of Utah Code Ann § 31A-23a-301 (West 2009) by operating an insurance organization without an agency license.

5. Based upon the above stipulated facts, Respondents were in violation of Insurance Department Rule R590-154-5 by not identifying GenWealth Financial as an insurance agency on any advertisements or its website.

6. Based upon the above stipulated facts, Respondents were in violation of Insurance Department Rule R590-154-11 by giving gift certificates as an inducement to seminar attendees.

7. An administrative forfeiture in the amount of \$1,500.00 imposed jointly and severally, is appropriate under the circumstances.

Based upon the foregoing Stipulation, Findings of Fact and Conclusions of Law, the Presiding Officer herewith enters the following Order:

ORDER

IT IS HEREBY ORDERED:

1. Respondent Manuel Rene Negron and Respondent GenWealth Advisory Group are jointly and severally assessed an administrative forfeiture in the amount of \$1,500.00 to be paid to the Utah Insurance Department within 30 days of issuance of this Order.

NOTIFICATION

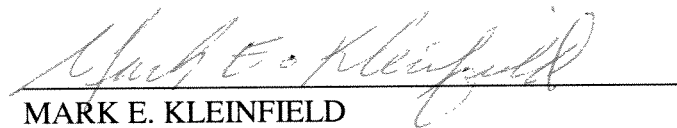
Respondents are hereby notified that failure to abide by the terms of this Order may subject you to further penalties, including additional forfeitures of up to \$2,500.00 per violation for an individual licensee and of up to \$5,000.00 per violation for an organization, and the

suspension or revocation of your licenses, and the filing of an action to enforce this Order in the District Court, which may impose penalties of up to \$10,000.00 per day for continued violation.

You are further notified that other jurisdictions in which you may be licensed may require that you report this action to them.

DATED this 23rd day of February, 2010.

NEAL T. GOOCH
Acting Insurance Commissioner



MARK E. KLEINFELD
Administrative Law Judge
Utah Insurance Department
State Office Building, Room 3110
Salt Lake City, Utah 84114
Telephone: (801) 538-3800

CERTIFICATE OF MAILING

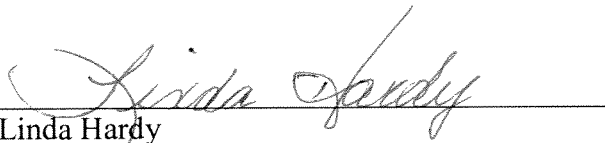
I do hereby certify that on this date I mailed, by regular mail, postage prepaid, a true and correct copy of the attached:

STIPULATION & ORDER

To the following:

Manuel Rene Negrón
4386 W Angle Pond Drive
South Jordan, UT 84095
&
Genwealth Advisory Group
4386 W Angle Pond Drive
South Jordan, UT 84095

DATED this 23rd day of February 2010.



Linda Hardy
Utah Department of Insurance
State Office Building, Room 3110
Salt Lake City, UT 84114-6901

**UTAH
Invoice**

Printed Date: February 22, 2010

Invoice Date: February 22, 2010
Balance Due: \$1,500.00
Due Date: February 22, 2010
Invoice ID: 451404

NEGRON MANUEL RENE
4386 W ANGLE POND DR
SOUTH JORDAN UT 84095

Item Description	Amount
Monetary Penalty Individual	\$1,500.00
Original Amount Due	<u>\$1,500.00</u>

**UTAH
Invoice**

Printed Date: February 22, 2010

Invoice Date: February 22, 2010
Balance Due: \$1,500.00
Due Date: February 22, 2010
Invoice ID: 451404

Make checks payable to: Utah Insurance Department

Send payment to:

Utah Insurance Department
3110 State Office Building
Salt Lake City, UT 84114-6901

Detach and Return with Payment

*paid LTH
w/check*