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BEFORE THE UTAH INSURANCE COMMISSIONER

<p>UTAH INSURANCE DEPARTMENT, Complainant, vs. JACOB CLAYTON ANDERSON, Respondent.</p>	<p>FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER</p> <p>Docket No: 2018-038 HL Enforcement No. 3987</p> <p>Lisa Watts Baskin, J.D. Presiding Officer</p>
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Complainant, Utah Insurance Department ("Department") and Respondent, Jacob Clayton Anderson, have stipulated to entry of the following Findings of Fact, Conclusions of Law, and Order. Based upon that stipulation, and good cause appearing, the Presiding Officer makes and enters the following:

FINDINGS OF FACT

1. Respondent, Jacob Clayton Anderson, is a resident individual insurance producer with a license number of 253347.
2. Respondent's mailing address is 781 East 3050 North, Lehi, UT 84043.
3. The Department initiated an investigation pursuant to a consumer complaint.

4. The consumer purchased a New York Life and Annuity Corporation annuity contract from Respondent in December 2011. The contract was issued on December 12, 2011, with a single premium of \$150,000.00.

5. The consumer received requested withdrawals of monthly interest earned totaling \$867.55 during the lifetime of his contract.

6. The consumer was not satisfied with the investment return and surrendered the annuity contract effective July 17, 2012 with a cash surrender value of \$149,132.45. The consumer incurred a surrender charge of \$901.63 which was later refunded.

7. In June 2012, Respondent recommended that consumer replace the New York Life Annuity Contract with an American Equity Investment Life Insurance Company annuity. An American Equity Investment Life Insurance Company annuity was issued to the consumer on July 23, 2012 with an initial premium of \$149,132.45.

8. Respondent told the consumer that the consumer would receive a 3% interest rate on the annuity; however, the annuity was issued with an initial guaranteed interest rate of 2.3% and a minimum guaranteed interest rate of 1.00%.

5. In July 2012, Respondent fabricated a policy data page under the guise of being prepared by American Equity, using a form initiated by New York Life. Reference was made to the newly issued annuity contract with New York Life, rather than American Equity. The document also indicated an issue date of July 12, 2012 instead of July 23, 2012, an initial premium of \$150,000.000 rather than \$149,132.45, and an initial guaranteed interest rate of 3% and a minimum guaranteed interest rate of 3%.

6. Respondent was sending consumer a check for \$45.00 each month to make up for the

decrease in investment return.

7. In August 2012, American Equity received a cashier's check dated August 6, 2012, from the Respondent for \$867.55. This check, representing the amount of withdrawals of the monthly interest from the initial New York Life annuity, was to be applied to the American Equity annuity on behalf of the consumer. The check was returned to Respondent because American Equity could only accept funds from the policyholder.

8. The American Equity annuity was surrendered effective September 10, 2013.

9. The Department and Respondent have agreed to an administrative forfeiture of \$2,500.00

CONCLUSIONS OF LAW

1. The Utah Insurance Commissioner ("Commissioner") has jurisdiction over the parties and this adjudicative proceeding pursuant to Utah Code §§ 31A-1-105 and 31A-2-201.

2. The Commissioner has legal authority to impose penalties on the Department's licensees who violate the Utah Insurance Code. Utah Code § 31A-2-308.

3. Respondent's conduct violates Utah Code § 31A-23a-402 and Utah Admin Code R590-230-5 (1) and (2).

4. As penalties for the violations in this case, Respondent should be ordered to pay a forfeiture of \$2,500.00.

ORDER

Based on the foregoing Findings of Fact and Conclusions of Law, it is hereby Ordered that:

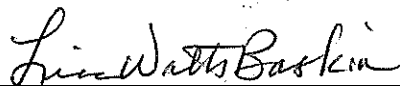
1. Respondent shall pay a forfeiture of \$2,500.00 for the violations described in the

Conclusions of Law.

2. Respondent is ordered not to commit the violations described in the Conclusions of Law in the future.

DATED this 31st day of May, 2018.

TODD E. KISER
Utah Insurance Commissioner



Lisa Watts Baskin
Presiding Officer
Utah Insurance Department

NOTICE TO RESPONDENT

You are hereby notified that a failure to obey an Order of the Commissioner may subject you to further penalties, including forfeitures of up to \$5,000 per violation and the suspension or revocation of your license and the filing of an action in district court, which may impose forfeitures of up to \$10,000 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.

CERTIFICATE OF SERVICE

The undersigned certifies that on this date a true and correct copy of the foregoing

Findings of Fact, Conclusions of Law and Order was electronically mailed to:

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Helen A. Frohlich
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DATED this 31st day of May, 2018.



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