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BEFORE THE UTAH INSURANCE COMMISSIONER

<p>UTAH INSURANCE DEPARTMENT, Complainant, vs. MANUEL RENE NEGRON and GENWEALTH ADVISORY GROUP, Respondents.</p>	<p>FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER Docket No. 2019-4131 Lisa Watts Baskin Presiding Officer</p>
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Complainant, Utah Insurance Department ("Department") and Respondents, Manuel Rene Negron and GenWealth Advisory Group, 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 Manuel Rene Negron is a resident individual producer holding license number 264918. Mr. Negron is the president and designated licensee for Respondent GenWealth

Advisory Group, a resident producer organization holding license number 709260.¹

2. Respondent Negron's mailing address is 4386 W. Angle Pond Drive, West Jordan, UT 84088. Respondent GenWealth's mailing address is 9089 S. 1300 W., Suite 110, West Jordan, UT 84088.

3. On November 20, 2017, Respondent Negron recommended that a consumer purchase an annuity from Fidelity & Guaranty Life Insurance Company.

4. Respondent Negron submitted a corrected suitability form significantly increasing the consumer's net worth to the insurer on December 6, 2017.

5. The revised suitability form was initialed and dated by Respondent Negron without the consumer's attestation. Fidelity & Guaranty Life Insurance Company requires all changes to any forms or paperwork submitted as part of an application to be initialed and dated by the applicant.

6. The annuity was issued on December 15, 2017. Fidelity later agreed to rescind the policy.

7. Respondents were assessed an administrative forfeiture of \$1,500 on February 23, 2010. See Docket No. 2010-031 LC.

8. Respondents were assessed an administrative forfeiture of \$5,000 plus 24 months of probation on October 25, 2011. See Docket No. 2011-242 LF.

9. The Department and Respondents have agreed to an administrative forfeiture of \$15,000.00 and 24 months of probation. \$7,500 of the forfeiture shall be stayed pending

¹ As set forth in the parties' stipulation, Respondents neither admit nor deny the conduct in the Findings of Fact below.

successful completion of the probationary period.

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 Negron violated Utah Code § 31A-23a-402(2)(a)(i) and § 31A-23a-107(2)(a) and (b) by presenting a revised suitability form increasing the applicant’s net worth without the applicant’s attestation as required by Fidelity & Guaranty Life Insurance Company.

4. Pursuant to Utah Code § 31A-23a-302, the agency is responsible for the acts of the designated licensee. Mr. Negron is the president and designated responsible person for Respondent GenWealth Advisory Group.

5. As penalties for the violations in this case, Respondents should be ordered to pay a forfeiture of \$15,000.00 and placed on probation for 24 months. \$7,500 of the forfeiture shall be stayed pending successful completion of the probationary period.

ORDER

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

1. Respondents Manuel Rene Negron and GenWealth Advisory Group are jointly and severally assessed an administrative forfeiture of \$15,000.00 for the violations described in the Conclusions of Law. \$7,500.00 of the forfeiture shall be stayed pending successful completion of the probationary period. The forfeiture shall be paid to the Utah Insurance Department within


30 days of the issuance of this order.

2. Respondents Manuel Rene Negron and GenWealth Advisory Group shall be placed on probation for a period of 24 months from the date of this order. During the probationary period, quarterly reports shall be provided to the Department containing a complete list of annuity products sold to Utah residents. The list shall include the (1) annuitant name, (2) name of insurer, (3) annuity product sold, (4) policy number, (5) issue date of policy, and (6) source of funds. Based on this report, the Department will conduct a random audit of annuity applications for review. Any additional violations may result in further administrative penalties and/or revocation. The first quarterly report covering the period July 1, 2019 through September 30, 2019 is due on or before October 1, 2019. Reports shall be submitted quarterly thereafter with the final report due on July 1, 2021. Failure to submit the quarterly reports on or before the due date will result in additional administrative action.

3. Respondents are ordered not to commit the violations described in the Conclusions of Law in the future.

DATED this 17th day of July,, 2019.

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 emailed to:

Richard F. Ensor
Attorney for Manuel Negron
rfensor@michaelbest.com

Helen A. Frohlich
Assistant Attorney General
hfrohlich@agutah.gov

DATED this 17th day of July, 2019.



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