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Attorney General

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FILED

DEC 19 2011

Department of Insurance  
State of Idaho

*Attorneys for the Department of Insurance*

**BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE  
OF THE STATE OF IDAHO**

In the Matter of:

ALLAN HILLMAN DENSMORE, holding )  
Resident Producer License No. 65318, and )  
DENSMORE FINANCIAL GROUP, INC., )  
holding Resident Producer License No. )  
112984. )  
\_\_\_\_\_ )

Docket No.: 18-2712-11

**CONSENT ORDER**

COME NOW the State of Idaho, Department of Insurance (the Department), by and through Georgia Siehl, Company Activities Bureau Chief; ALLAN HILLMAN DENSMORE, an individual licensed in Idaho as a resident insurance producer; and DENSMORE FINANCIAL GROUP, INC., an Idaho corporation licensed in Idaho as a resident insurance producer, and hereby enter into this Consent Order in lieu of a formal administrative proceeding by the Department seeking sanctions against ALLAN HILLMAN DENSMORE and DENSMORE FINANCIAL GROUP, INC., pursuant to title 41, Idaho Code, to include revocation of such Idaho resident producer licenses.

### **LICENSEES**

1. ALLAN HILLMAN DENSMORE (Densmore) is an individual who is and has been a licensed insurance producer in the state of Idaho, holding Idaho Resident Producer License No. 65318 since October 21, 1998.

2. DENSMORE FINANCIAL GROUP, INC. (Densmore Financial), is an Idaho corporation that is and has been a licensed insurance producer in the state of Idaho, holding Idaho Resident Producer License No. 112984 since May 27, 2004. Densmore is president of Densmore Financial.

### **FACTS**

3. On April 15, 2011, the State of Idaho, Department of Finance (DOF), entered into an "Agreement and Order" (First Order) with both Densmore and Densmore Financial. In such Order, Densmore admitted to the following securities law violations:

- (a) offering and/or selling unregistered securities in Idaho in violation of Idaho's Uniform Securities Act;
- (b) providing an inaccurate balance sheet to investors that misrepresented the financial condition of a limited liability company as to which Densmore was the managing member; and
- (c) providing verbal representations and assertions to investors that were contrary to the information represented in a securities offering prospectus, and providing a securities offering prospectus that contained conflicting and/or inaccurate information regarding a securities offering.

In the First Order, Densmore Financial also admitted to offering and selling unregistered securities in violation of Idaho's Uniform Act, as reflected in subparagraph (a) of this paragraph, although not to the violations reflected in (b) and (c).

4. Also on April 15, 2011, the DOF entered into a second "Agreement and Order" (Second Order) with both Densmore and Densmore Financial. The second order required Densmore and Densmore Financial to pay a \$10,000 penalty to the DOF based on the DOF's allegations that Densmore and Densmore Financial had engaged in advertising practices that violated applicable Idaho securities laws and rules.

5. Neither Densmore nor Densmore Financial provided notice to the Department of the issuance by the DOF of the First Order and the Second Order. Densmore and Densmore Financial represent that their failure to provide the required notice to the Department was inadvertent, but acknowledge that providing such notice to the Department is a requirement of the Idaho Insurance Code.

### **ALLEGED VIOLATION**

#### ***FAILURE TO REPORT ADMINISTRATIVE ACTIONS TAKEN***

6. Idaho Code § 41-1021(1) provides that an insurance producer licensed in Idaho shall report to the Director of the Idaho Department of Insurance (Director) any administrative action taken against the insurance producer by another governmental agency, within thirty (30) days of the final disposition of the matter leading to the order. That section further provides that such report shall include a copy of the order, consent order or other relevant legal documents.

7. The failure by Densmore and Densmore Financial to report to the Director the issuance of the First Order and the Second Order by the DOF reflecting administrative actions

pursued against them constitutes two (2) or more violations of Idaho Code § 41-1021(1) by each Idaho licensed insurance producer.

8. Idaho Code § 41-1016(1)(b) provides that violating any provision of title 41, Idaho Code, constitutes the basis for the suspension for not more than twelve (12) months of an insurance producer's license, revocation of the license, and the imposition of an administrative penalty not to exceed one thousand dollars (\$1,000). The two or more reporting violations referenced above provide the basis for an administrative penalty totaling at least two thousand dollars (\$2,000) that may be imposed by the Director against Densmore and Densmore Financial, collectively.

### **REMEDIES**

9. Densmore and Densmore Financial each admit to violating Idaho Code § 41-1021(1) for their failure to report to the Department the First Order and the Second Order issued by the DOF.

10. Densmore and Densmore Financial collectively agree to pay to the Department by no later than December 16, 2011, an administrative penalty in the amount of two thousand dollars (\$2,000).

11. Densmore and Densmore Financial understand and acknowledge that the Department intends to examine the insurance affairs and proposed insurance affairs of Densmore and Densmore Financial, pursuant to Idaho Code § 41-220(1), within twelve (12) months of the Director's entry of this Consent Order, for the purposes of determining whether Densmore and Densmore Financial have been conducting insurance business in compliance with the requirements of title 41, Idaho Code. Densmore and Densmore Financial agree to fully cooperate with the Department in such examination.

12. The Department agrees that if Densmore and Densmore Financial fully and timely comply with the requirements of this Consent Order, the Department shall seek no further sanctions or penalties for the specific violations alleged in this Consent Order other than those set forth herein.

13. The parties agree that the terms of this Consent Order are appropriate and proper under the circumstances referenced herein, and that they have entered into this Consent Order knowingly, voluntarily, and with full knowledge of any rights they may be waiving thereby. Additionally, Densmore and Densmore Financial hereby waive notice and the opportunity for a hearing regarding the matters referenced herein, as well as any right they may have for reconsideration and/or judicial review regarding the matters underlying this Consent Order.

DATED this 10<sup>th</sup> day of Dec, 2011.

  
ALLAN HILLMAN DENSMORE

DATED this 10 day of Dec, 2011.

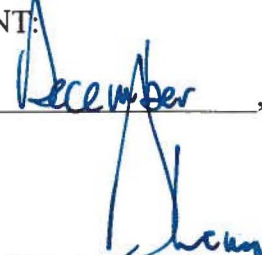
DENSMORE FINANCIAL GROUP, INC.

By: 

Title: President

APPROVED AS TO FORM AND CONTENT:

DATED this 15th day of December, 2011.

  
DAVID H. LEROY  
Counsel for Allan Hillman Densmore and  
Densmore Financial Group

DATED this 16<sup>th</sup> day of December, 2011.

STATE OF IDAHO  
DEPARTMENT OF INSURANCE

Georgia Siehl  
GEORGIA SIEHL  
Bureau Chief, Company Activities Bureau

**IT IS SO ORDERED.**

DATED this 19<sup>th</sup> day of December, 2011.

STATE OF IDAHO  
DEPARTMENT OF INSURANCE

William W. Deal  
WILLIAM W. DEAL  
Director

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that, on this 19<sup>th</sup> day of December, 2011, I caused a true and correct copy of the foregoing Consent Order to be served upon the following by the designated means:

David H. Leroy, Esq.  
P.O. Box 193  
Boise, ID 83701

- ☒ first class mail  
☐ certified mail  
☐ hand delivery  
☐ via facsimile

Allianz Life Insurance Company of North  
America  
5701 Golden Hills Drive  
Minneapolis, MN 55416-1297

- ☒ first class mail
- ☐ certified mail
- ☐ hand delivery
- ☐ via facsimile

American Equity Investment Life Insurance  
Company  
6000 Westown Parkway  
West Des Moines, IA 50266-5921

- ☒ first class mail
- ☐ certified mail
- ☐ hand delivery
- ☐ via facsimile

American General Life Insurance Company of  
Delaware  
2727-A Allen Parkway  
Houston, TX 77019

- ☒ first class mail
- ☐ certified mail
- ☐ hand delivery
- ☐ via facsimile

American National Insurance Company  
One Moody Plaza  
Galveston, TX 77550

- ☒ first class mail
- ☐ certified mail
- ☐ hand delivery
- ☐ via facsimile

Ameritas Life Insurance Corp.  
5900 O Street  
Lincoln, NE 68510-2234

- ☒ first class mail
- ☐ certified mail
- ☐ hand delivery
- ☐ via facsimile

Aviva Life and Annuity Company  
7700 Mills Civic Parkway  
West Des Moines, IA 50266-3862

- ☒ first class mail
- ☐ certified mail
- ☐ hand delivery
- ☐ via facsimile

Banner Life Insurance Company  
3275 Bennett Creek Avenue  
Frederick, MD 21704-7608

- ☒ first class mail
- ☐ certified mail
- ☐ hand delivery
- ☐ via facsimile

C.M. Life Insurance Company  
1295 State Street  
Springfield, MA 01111

- ☒ first class mail
- ☐ certified mail
- ☐ hand delivery
- ☐ via facsimile

Columbus Life Insurance Company  
400 E. 4<sup>th</sup> Street  
Cincinnati, OH 45202-3302

- ☒ first class mail
- ☐ certified mail
- ☐ hand delivery
- ☐ via facsimile

Forethought Life Insurance Company  
300 North Meridian Street, Suite 1800  
Indianapolis, IN 46204

- ☒ first class mail
- ☐ certified mail
- ☐ hand delivery
- ☐ via facsimile

Genworth Life and Annuity Insurance  
Company  
6610 West Broad Street  
Richmond, VA 23230

- ☒ first class mail
- ☐ certified mail
- ☐ hand delivery
- ☐ via facsimile

ING USA Annuity and Life Insurance  
Company  
5780 Powers Ferry Road, NW  
Atlanta, GA 30327-4390

- ☒ first class mail
- ☐ certified mail
- ☐ hand delivery
- ☐ via facsimile

Jefferson National Life Insurance Company  
9920 Corporate Campus Drive, Suite 1000  
Louisville, KY 40223

- ☒ first class mail
- ☐ certified mail
- ☐ hand delivery
- ☐ via facsimile

Lincoln Benefit Life Company  
2940 South 84<sup>th</sup> Street  
Lincoln, NE 68506-4142

- ☒ first class mail
- ☐ certified mail
- ☐ hand delivery
- ☐ via facsimile

Lincoln National Life Insurance Company  
1300 South Clinton Street  
Fort Wayne, IN 46802

- ☒ first class mail
- ☐ certified mail
- ☐ hand delivery
- ☐ via facsimile

Massachusetts Mutual Life Insurance  
Company  
1295 State Street  
Springfield, MA 01111

- ☒ first class mail
- ☐ certified mail
- ☐ hand delivery
- ☐ via facsimile



Phoenix Life Insurance Company  
One American Row  
Hartford, CT 06115

- ☒ first class mail  
☐ certified mail  
☐ hand delivery  
☐ via facsimile

Prudential Annuities Life Assurance  
Corporation  
One Corporate Drive  
Shelton, CT 06484-0883

- ☒ first class mail  
☐ certified mail  
☐ hand delivery  
☐ via facsimile

Security Benefit Life Insurance Company  
One Security Benefit Place  
Topeka, KS 66636-0001

- ☒ first class mail  
☐ certified mail  
☐ hand delivery  
☐ via facsimile

Sunamerica Annuity and Life Assurance  
Company  
1 Sunamerica Center  
1999 Avenue of the Stars  
Los Angeles, CA 90067-6100

- ☒ first class mail  
☐ certified mail  
☐ hand delivery  
☐ via facsimile

Transamerica Life Insurance Company  
4333 Edgewood Road NE  
Cedar Rapids, IA 52499

- ☒ first class mail  
☐ certified mail  
☐ hand delivery  
☐ via facsimile

United of Omaha Life Insurance Company  
Mutual of Omaha Plaza  
Omaha, NE 68175

- ☒ first class mail  
☐ certified mail  
☐ hand delivery  
☐ via facsimile

Genworth Life Insurance Company  
6604 West Broad Street  
Richmond, VA 23230

- ☒ first class mail  
☐ certified mail  
☐ hand delivery  
☐ via facsimile

John Hancock Life Insurance Company  
(U.S.A.)  
601 Congress Street  
Boston, MA 02210

- ☒ first class mail  
☐ certified mail  
☐ hand delivery  
☐ via facsimile

Metlife Insurance Company of Connecticut  
1300 Hall Boulevard  
Bloomfield, CT 06002

☒ first class mail  
☐ certified mail  
☐ hand delivery  
☐ via facsimile

PHL Variable Insurance Company  
One American Row  
Hartford, CT 06115

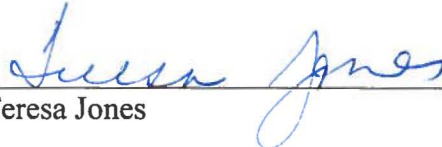
☒ first class mail  
☐ certified mail  
☐ hand delivery  
☐ via facsimile

West Coast Life Insurance Company  
2801 Highway 280 South  
Birmingham, AL 35223

☒ first class mail  
☐ certified mail  
☐ hand delivery  
☐ via facsimile

A. René Martin  
Deputy Attorney General - Lead  
Idaho Department of Insurance  
700 W. State Street, 3<sup>rd</sup> Floor  
P.O. Box 83720  
Boise, ID 83720-0043

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☒ hand delivery  
☐ via facsimile

  
Teresa Jones