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FILED 

SEP 18 2012

Department of Insurance
State of Idaho

Attorneys for the Department of Insurance

BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE
STATE OF IDAHO

In the Matter of:

JOSEPH A. STURGES

Resident Producer License No. 53338

Docket No. 18-2783-12

**FINAL ORDER ADOPTING
STIPULATION**

The parties herein, namely the Idaho Department of Insurance (the "Department") and its counsel of record, Richard B. Burleigh, Deputy Attorney General, and JOSEPH A. STURGES, resident Producer under title 41 of the Idaho Code, holding License No. 53338, having entered into a STIPULATION CONCERNING VERIFIED COMPLAINT on file herein, and the Director having reviewed the same, does hereby enter this Final Order as follows:

1. That JOSEPH A. STURGES, duly authorized as an Idaho resident Producer holding license No. 53338, falls within the jurisdiction of the Director of the Idaho Department of Insurance and title 41 of the Idaho Code.
2. That JOSEPH A. STURGES and the Department entered into that certain

Stipulation Concerning Verified Complaint, a copy of which is attached hereto.

3. That JOSEPH A. STURGES stipulated to the violation of Idaho Code § 41-1016(1)(b), § 41-1016(1)(e) and § 41-1021(1).

4. That JOSEPH A. STURGES agrees to the following conditions and penalties:

a. He shall not engage in the sale of any life or annuity products to any individuals where the life or annuity product is filed, approved or otherwise permitted for sale in one state and the individuals' permanent residence is in another state. By way of example only, RESPONDENT shall not engage in the sale of a life or annuity product that has been filed in Idaho but not Washington to individuals whose permanent residence is in Washington. Rather, RESPONDENT shall sell to such individuals life or annuity products filed or approved for sale in the state of Washington.

b. He shall pay to the Department a penalty in the amount of three thousand five hundred dollars (\$3,500.00), which amount shall be payable as follows: Eight hundred seventy five dollars (\$875.00) within thirty (30) business days following entry of this Final Order Adopting Stipulation and three (3) additional payments of Eight hundred seventy five dollars (\$875.00) payable on the first day of the third, sixth and ninth calendar month following the entry of the Final Order Adopting Stipulation

c. JOSEPH A. STURGES agrees that in the event that he fails to comply with the preceding conditions and penalties that the Department may revoke or suspend, in the Department sole discretion, his license without prior notice or opportunity for hearing.

Based on the foregoing and in consideration of the premises,

IT IS HEREBY ORDERED that the STIPULATION CONCERNING VERIFIED COMPLAINT attached hereto is approved and adopted as an Order of the Director, and is incorporated herein as if set forth in full and made a part hereof.

IT IS SO ORDERED.

DATED this 17TH day of September, 2012.



WILLIAM W. DEAL, Director
IDAHO DEPARTMENT OF INSURANCE

I HEREBY CERTIFY that I have, on this 18th day of September, 2012, caused a true and correct copy of the foregoing FINAL ORDER ADOPTING STIPULATION to be served upon the following by the designated means:

Joseph Allen Sturges
Finance Matters LLC
1365 N Orchard, Ste. 370
Boise, ID 83706-2251

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

American General Life Insurance Company
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

Aviva Life And Annuity Company
7700 Mills Civic Parkway
West Des Moines, IA

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

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

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

Blue Cross Of Idaho Health Service, Inc.
3000 E Pine Ave
Meridian, ID 83642

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

Centaurus Financial, Inc.
2300 E Katella Ave, Ste. 200
Anaheim, CA 92806-6047

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

Continental General Insurance Company
11200 Lakeline Blvd, Ste. 100
Austin, TX 78717

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

Equitrust Life Insurance Company
10689 N Pennsylvania St, Ste. 200
Indianapolis, IN 46280-1099

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

Fidelity & Guaranty Life Insurance Company
1001 Fleet Street
Baltimore, MD 21201

- ☒ 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

Hartford Life and Annuity Insurance Company
200 Hopmeadow Street
Simsbury, CT 06089-9793

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

Hartford Life Insurance Company
200 Hopmeadow Street
Simsbury, CT 06089-9793

- ☒ 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

Jackson National Life Insurance Company
1 Corporate Way
Lansing, MI 48951

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

Metropolitan Life Insurance Company
200 Park Avenue
New York, NY 10166-0188

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

PacificSource Health Plans
110 International Way
Springfield, OR 97477

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

Presidential Life Insurance Company
69 Lydecker Street
Nyack, NY 10960

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

Pruco Life Insurance Company
213 Washington Street
Newark, NJ 07102-2992

- ☒ 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

Reliastar Life Insurance Company
5780 Powers Ferry Rd NW
Atlanta, GA 30327-4390

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

Security Life Of Denver Insurance Company
5780 Powers Ferry Road, NW
Atlanta, GA 30327-4390

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

Standard Life And Accident Insurance
Company
One Moody Plaza
Galveston, TX 77550

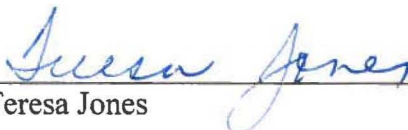
☒ first class mail
☐ certified mail
☐ hand delivery
☐ via facsimile

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

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

Trustmark Insurance Company
400 Field Drive
Lake Forest, IL 60045-2581

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


Teresa Jones

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BEFORE THE DIRECTOR OF THE DEPARTMENT OF INSURANCE
STATE OF IDAHO

In the Matter of:

JOSEPH A. STURGES

Resident Producer License No. 53338

Docket No. 18-2783-12

**STIPULATION CONCERNING
VERIFIED COMPLAINT**

The parties herein, namely the Idaho Department of Insurance (the “Department”) and its counsel of record, Richard B. Burleigh, Deputy Attorney General, and Joseph A. Sturges (“RESPONDENT”), Resident Producer under title 41 of the Idaho Code, holding License No. 53338, do hereby agree and stipulate as follows:

1. As a duly authorized Resident Producer in the state of Idaho, RESPONDENT falls within the jurisdiction of the Director of the Idaho Department of Insurance (“Director”) and title 41 of the Idaho Code.

2. On August 22, 2012, the Department did file and serve a Verified Complaint and Notice of Right to Hearing (hereinafter “Verified Complaint”) on the RESPONDENT.

3. Said Verified Complaint alleged various violations of title 41, Idaho Code against RESPONDENT arising out of cross border sales of state of Idaho annuity policies issued by Allianz Life Insurance Company to residents of the state of Washington.

4. The parties hereto believe that this matter may be brought to a close by a negotiated and stipulated settlement.

5. The parties agree and stipulate to the following finding of facts:

a. On or about August 8, 2011, the Department received an on-line fraud report from Allianz Life Insurance Company of North America ("Allianz Life") concerning an investigation of RESPONDENT for misrepresentation of the location of sales of Idaho annuity policies to Washington residents as having taken place in Idaho, when the Washington customers never left Washington.

b. The Allianz Life fraud report stated as follows:

Cross border sales were analyzed. Client survey responses indicated that Daidre and Lawrence West indicated that as to their 5 total policies, all of these policies (which were issued as Idaho policies) were solicited and delivered in WA. Also, Daidre signed two of the applications in Washington, but the applications state the place of signature was Idaho. The other three applications were not signed by the clients themselves; rather they state they provided authority to the agent to sign for them. These applications state they were signed in Idaho.

c. Allianz Life terminated RESPONDENT as an appointed agent on or about August 18, 2011.

d. On May 29, 2012, the State of Washington, Office of Insurance Commissioner, entered a Consent Order Levying Fine (the "Washington Consent Order") against Respondent

e. RESPONDENT executed the Washington Consent Order on May 18, 2012, and consented to the entry of the Findings of Fact and Conclusions of Law contained therein and waived any and all hearing rights and further administrative or judicial challenge to

Washington's actions related to the subject matter of the Washington Consent Order.

f. The Washington Consent Order included the following Findings of Fact:

"2. In 2005 and 2008, Sturges sold five non-approved annuity products in Washington to a married couple who are Washington residents, and delivered the contract to them in Washington.

3. The wife applied for three annuities and the husband for two. Each of the applications indicated that the applications had been signed in Idaho. On all five of the applications submitted on behalf of the couple, to an untrained observer, the words "Boise, Idaho" appear to have been written in by Mr. Sturges, as the handwriting does not match the applicant's but does match Mr. Sturges'.

4. Investigation revealed that for two of the five applications, the couple signed the paperwork in Washington and took delivery of the contracts in Washington. On three of the applications, they each authorized Sturges to sign for them in Idaho while they were in Washington and they both received the contracts in Washington. There was no indication on the applications signed by Sturges that he was authorized to sign on their behalf."

g. Idaho Code § 41-1021(1) requires a producer to report to the Department any administrative action taken against the producer by another governmental agency within thirty (30) days of the final disposition of the action.

h. RESPONDENT was obligated to report the Washington Consent Order, pursuant to Idaho Code § 41-1021(1), to the Department no later than June 28, 2012, and to include a copy of the Washington Consent Order or other relevant legal documents with the report.

i. No report or documentation concerning the Washington Consent Order was received by the Department from RESPONDENT in compliance with Idaho Code § 41-1021(1).

j. RESPONDENT misrepresented the terms of an application for insurance and misrepresented a fact material to an insurance contract by submitting the annuity applications containing false information as more particularly set forth in the Allianz Life fraud

report and the Washington Consent Order, as set forth above.

k. RESPONDENT's failure to report the Washington Consent Order is a violation of Idaho Code § 41-1021(1) and 41-1016(1)(b).

l. RESPONDENT's misrepresentation of the terms of an application for insurance and misrepresentation of a fact material to an insurance contract violated Idaho Code § 41-1016(1)(e).

6. RESPONDENT agrees and stipulates to the following conditions and penalties:

a. RESPONDENT shall not engage in the sale of any life or annuity products to any individuals where the life or annuity product is filed, approved or otherwise permitted for sale in one state and the individuals' permanent residence is in another state. For example only, RESPONDENT shall not engage in the sale of a life or annuity product that has been filed in Idaho but not Washington to individuals whose permanent residence is in Washington. Rather, RESPONDENT shall sell to such individuals only life or annuity products filed or approved for sale in the state of Washington.

b. RESPONDENT shall not execute any insurance application or other insurance documentation on behalf of and in lieu of any individual in any transaction wherein RESPONDENT is acting as the producer or agent.

c. RESPONDENT shall pay to the Department a penalty in the amount of three thousand five hundred dollars (\$3,500.00), which amount shall be payable as follows: Eight hundred seventy five dollars (\$875.00) within thirty (30) business days following entry of the Final Order Adopting Stipulation and three (3) additional payments of Eight hundred seventy five dollars (\$875.00) payable on the first day of the third, sixth and ninth calendar month following the entry of the Final Order Adopting Stipulation

d. RESPONDENT agrees that in the event that he fails to comply with the preceding conditions and penalties that the Department may revoke or suspend, in the Department sole discretion, his license without prior notice or opportunity for hearing.

7. The Department agrees that Count Three of the Department's Verified Complaint is hereby withdrawn and dismissed by the Department with prejudice.

8. The parties waive their right to notice and hearing at which they may be represented by counsel, present evidence and examine witnesses.

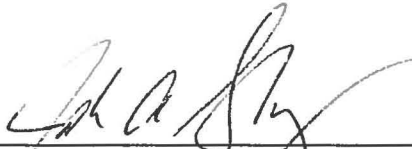
9. The parties hereby waive the right to seek reconsideration and judicial review of the Final Order Adopting Stipulation to be entered herein.

10. The parties hereto have reviewed the proposed Final Order Adopting Stipulation, attached hereto as Exhibit A and incorporated herein by this reference, and agree as to its form and that said Final Order Adopting Stipulation may be submitted to the Hearing Officer for this matter for her review and signature.

11. The parties agree that the terms of this Stipulation are appropriate and proper under the circumstances referenced herein, and that they have entered into this Stipulation knowingly, voluntarily and with full knowledge of any rights they may be waiving thereby.

[Signatures on following pages.]

AGREED THIS 12 day of September, 2012.

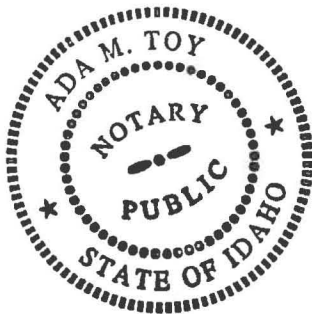
By: 
JOSEPH A. STURGES


STATE OF IDAHO)
) ss.
County of Ada)

On this 12 day of September, 2012, before me, the undersigned, a Notary Public in and for said State, personally appeared JOSEPH A. STURGES, in his individual capacity, who executed the foregoing instrument, and acknowledged to me that the said instrument is the free and voluntary act and deed of said individual, for the uses and purposes therein mentioned.

WITNESS MY HAND and official seal hereto affixed the day, month and year in this certificate first above written.


My commission expires: 09-23-13




Notary Public in and for the
State of Idaho
Residing at Boise, Idaho

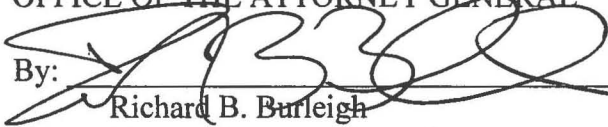
AGREED THIS 14 day of September, 2012.

IDAHO DEPARTMENT OF INSURANCE

By: 
Gina McBride
Bureau Chief, Consumer Services,
Idaho Department of Insurance

Approved as to Form:

OFFICE OF THE ATTORNEY GENERAL

By: 
Richard B. Burleigh
Deputy Attorney General
Attorney for the Idaho Department of Insurance