

APR 22 2019

STATE OF ARIZONA
DEPARTMENT OF INSURANCE

DEPT OF INSURANCE
BY MEK

In the Matter of:

LYNCH, JOHN T. JR.

No. 19A-053-INS

CONSENT ORDER

Respondent.

The State of Arizona Department of Insurance ("Department") has received evidence that **John T. Lynch, Jr. ("Respondent")** violated provisions of Title 20, Arizona Revised Statutes. Respondent wishes to resolve this matter without the commencement of formal proceedings, and admits the following Findings of Fact are true, and consents to the entry of the following Conclusions of Law and Order.

FINDINGS OF FACT

1. On February 26, 2019, Respondent submitted an Application for an Individual Producer License (the "Application") with lines of authority in accident & health or sickness, life and variable life and variable annuity insurance.

2. Respondent answered "Yes" to the Background Question of the Application that asks: 2. "Have you ever been named or involved as a party in an administrative proceeding, including FINRA sanction or arbitration proceeding regarding any professional or occupational license or registration? 'Involved' means having a license censured, suspended, revoked, canceled, terminated; or being assessed a fine, a cease and desist order, a prohibition order, a compliance order, placed on probation, sanctioned or surrendering license to resolve an administrative action. 'Involved' also means being named as a party to an administrative or arbitration proceeding, which is related to a professional or occupational license, or registration. 'Involved' also means

1 having a license or registration application denied or the act of withdrawing an
2 application to avoid a denial”...“If you answer yes, you must attach to this application: a)
3 a written statement identifying the type of license and explaining the circumstances of
4 each incident, b) a copy of the Notice of Hearing or other document that states the
5 charges and allegations, and c) a copy of the official document, which demonstrates the
6 resolution of the charges or any final judgment.”

7 3. Respondent disclosed an Order Making Findings and Imposing Remedial
8 Sanctions Pursuant to Sections 15(b) and 15B(c) of the Securities Exchange Act of
9 1934, and Section 9(b) of the Investment Company Act of 1940, United States of
10 America before the Securities and Exchange Commission, Administrative Proceeding
11 File No. 3-17902, In the Matter of John T. Lynch, Jr.

12 4. Respondent failed to disclose a Final Judgment and Order, In the Matter
13 of a Non-Member of the State Bar of Arizona, John T. Lynch, Jr., State Bar Nos. 16-
14 2568 and 17-2087 based on the unintentional but mistaken belief that the question in
15 the application did not pertain in that he did not have an Arizona law license and did not
16 hold himself out as an Arizona attorney. However, he did, in fact, consent by agreement
17 to a reprimand by the Arizona State Bar based on the facts as presented.

18 5. Respondent responded “Yes” to the Attestation section of the Application.

19 **CONCLUSIONS OF LAW**

20 1. The Director has jurisdiction over this matter.

21 2. Respondent’s conduct, as described above, constitutes providing incorrect,
22 misleading, incomplete or materially untrue information in the license application, within
23 the meaning of A.R.S. § 20-295(A)(1).

24 3. Grounds exist for the Interim Director to suspend for not more than twelve
25

1 months or revoke Respondent's insurance producer license, pursuant to A.R.S. § 20-
2 295(A).

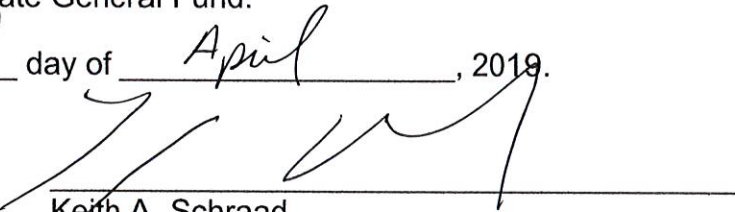
3 4. Grounds exist, in addition to or instead of any suspension, revocation or
4 refusal to renew a license, for the Director to impose a civil penalty of not more than
5 \$250.00 for each unintentional failure or violation, up to an aggregate civil penalty of
6 \$2,500.00, or impose a civil penalty of not more than \$2,500.00 for each intentional
7 failure or violation, up to an aggregate penalty of \$15,000.00, pursuant to A.R.S. § 20-
8 295(F).

9 **ORDER**

10 IT IS HEREBY ORDERED THAT:

11 1. **John T. Lynch, Jr.**, shall immediately pay a civil money penalty of
12 \$250.00 for deposit into the State General Fund.

13 Effective this 22nd day of April, 2019.

14 
15 Keith A. Schraad
16 Director of Insurance

17 **CONSENT TO ORDER**

18 1. Respondent has reviewed the foregoing Findings of Fact, Conclusions of
19 Law and Order.

20 2. Respondent admits to the jurisdiction of the Interim Director of Insurance,
21 State of Arizona, and admits the foregoing Findings of Fact and consents to the entry of
22 the foregoing Conclusions of Law and Order.

23 3. Respondent is aware of his right to notice and a hearing at which he may
24 be represented by counsel, present evidence and examine witnesses.
25

1 4. Respondent irrevocably waives his right to such notice and hearing and to
2 any court appeals relating to this Consent Order.

3 5. Respondent states that no promise of any kind or nature whatsoever,
4 except as expressly contained in this Consent Order, was made to induce him to enter
5 into this Consent Order and that he has entered into this Consent Order voluntarily.

6 6. Respondent acknowledges that the acceptance of this Consent Order by
7 the Director is solely to settle this matter against him and does not preclude any other
8 agency, officer, or subdivision of this state including the Department from instituting civil
9 or criminal proceedings as may be appropriate now or in the future not related to this
10 matter.

11 7. Respondent acknowledges that this Consent Order is an administrative
12 action that the Department will report to the National Association of Insurance
13 Commissioners (NAIC). Respondent further acknowledges that he must report this
14 administrative action to any and all states in which he holds an insurance license and
15 must disclose this administrative action on any license application.
16

17
18 April 17, 2019 J. Lynch, Jr.
Date John T. Lynch, Jr.

19
20
21 **COPY** of the foregoing delivered by regular mail
22 this 24TH day of April, 2019, to:

23 John T. Lynch, Jr.
24 9420 E. Camino Del Santo
25 Scottsdale, AZ 85260
Respondent

1 **COPY** delivered same date to:

2 Mary Kosinski, Regulatory Legal Affairs Officer
3 Catherine M. O'Neil, Consumer Legal Affairs Officer
4 Steven Fromholtz, Assistant Director, Consumer Protection Division
5 Aqueelah Currie, Licensing Supervisor
6 Sharyn Kerr, Consumer Protection Division
7 Arizona Department of Insurance
8 100 N. 15th Ave., Suite 102
9 Phoenix, AZ 85007-2624

10 **COPY** delivered electronically, same date to:

11 John T. Lynch, Jr.
12 John_Lynch_Jr@me.com
13 Respondent

14 
15 Francine Martinez