

FEB 04 2020

STATE OF ARIZONA
DEPARTMENT OF INSURANCE
DEPT OF INSURANCE
BY AS 02/04/2020

In the Matter of:

STEPHEN, JOHN WESLEY

(National Producer No. 18343091)

Respondent.

No. 20A- 011 -INS

CONSENT ORDER

The Arizona Department of Insurance (“Department”) has received evidence that **John Wesley Stephen (“Stephen” or “Respondent”)** violated provisions of Title 20, Arizona Revised Statutes (“A.R.S”). Respondent wishes to resolve this matter without the commencement of formal proceedings, and admits the following Finding of Fact are true, and consents to the entry of the following Conclusions of Law and Order.

FINDINGS OF FACT

1. Stephen is, and was at all material times, licensed as an Arizona resident insurance producer with a line of authority in life insurance, National Producer Number 18343091. The Department issued the license to Stephen on March 6, 2017 and it is scheduled to expire on August 31, 2020.

2. Stephen’s business and mailing address of record with the Department is: Eaglin Financial Services, 906 West Roosevelt Street, Suite 1, Phoenix, Arizona 85007. Stephen’s business e-mail address of record with the Department is wes@eaglinfinancial.com.

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1 **Consumer Complaint**

2 3. On October 4, 2019, The Department received a written complaint from a
3 consumer who alleged that Stephen provided misleading information in order to contract two
4 annuity policies with Fidelity & Guaranty Life Insurance Company (“FGL”).

5 4. The consumer alleged that Stephen showed him misleading illustrations about
6 the annuity performance and convinced him to “cash out” his existing annuities to purchase
7 the FGL annuity.

8 5. The consumer further alleged that Stephen failed to disclose the substantial
9 surrender penalty he would incur by surrendering his two existing annuities to purchase the
10 new annuity being sold by Stephen.

11 **Fidelity & Guaranty Life Insurance Company Complaint**

12 6. On October 23, 2018, the Department received notice from FGL that they had
13 terminated Stephen “for Cause” on October 10, 2018 as a result of the annuity applications
14 submitted by Stephen for the consumer.

15 7. FGL alleged that Stephen was aware the annuity funds were originating from
16 the consumer’s existing annuities and disclosing this to FGL would result in disapproval of
17 the annuity during suitability review.

18 8. FGL provided the Department with a written statement made by Stephen
19 during their internal investigation in which Stephen admits to checking the “No” box on the
20 application regarding the question of disclosure of an existing annuity and stated he did so
21 because he feared that the annuity would be declined.

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

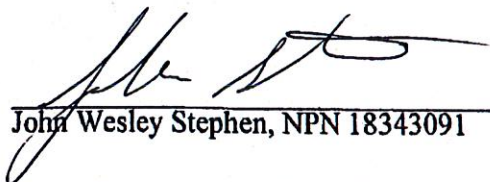
3 4. Respondent irrevocably waives his right to such notice and hearing and to any
4 court appeals relating to this Consent Order.

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

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

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

17
18 1/30/2020
Date



John Wesley Stephen, NPN 18343091

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1 **COPY** of the foregoing delivered by U.S. First-Class Mail
this 5th day of February, 2020, to:

2
3 John Wesley Stephen
4 C/O Eaglin Financial Services
5 906 W Roosevelt St, STE 1
6 Phoenix, AZ 85007
7 Respondent

8 **COPY** delivered same date to:

9 Mary Kosinski, Regulatory Legal Affairs Officer
10 Ana Starcevic, Paralegal Project Specialist
11 Catherine M. O'Neil, Consumer Legal Affairs Office
12 Steven Fromholtz, Assistant Director, Consumer Protection Division
13 Aqueelah Currie, Licensing Supervisor
14 Jeff Eavenson, Investigator
15 Linda Lutz, Legal Assistant
16 Arizona Department of Insurance
17 100 North 15th Avenue, Suite 261
18 Phoenix, Arizona 85007-2630

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

20 John Wesley Stephen
21 ryan@eaglinfinancialservices.com
22 wes@eaglinfinancial.com
23 Respondent

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26 Francine Juarez