

STATE OF ARIZONA
Department of Insurance and Financial Institutions
FILED December 17, 2024 by MK

STATE OF ARIZONA

DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS

In the Matter of:

No. 24A-111-INS

RONALD FRANK STEVENSON

(National Producer No. 7502408)

CONSENT ORDER

and

**AMERICAN FINANCIAL SECURITY
LLC**

(National Producer No. 8301591)

Respondents.

The Arizona Department of Insurance and Financial Institutions (“Department”) has received evidence that Ronald Frank Stevenson (“Mr. Stevenson”) and American Financial Security LLC (“AFS”), collectively Respondents, violated provisions of Arizona Revised Statutes (“A.R.S.”) Title 20. Respondents wish to resolve this matter without the commencement of formal proceedings, and admit the following Findings of Fact are true, and consents to the entry of the following Conclusions of Law and Order.

FINDINGS OF FACT

1. Mr. Stevenson was at all material times licensed as an Arizona resident insurance producer, National Producer Number 7502408, with a line of authority in life insurance. The Department first licensed Mr. Stevenson on November 15, 2002. Mr.

1 Stevenson’s license is scheduled to expire on January 31, 2026.

2 2. Mr. Stevenson’s mailing and business address of record with the Department
3 is 3112 Clearwater Dr., Ste. B, Prescott, Arizona 86305 and his email address is
4 ron@afsprescott.com.

5 3. AFS was at all material times licensed as an Arizona-domiciled insurance
6 producer, National Producer Number 8301591. The Department first licensed AFS on June
7 21, 2024. AFS’s license is scheduled to expire on June 30, 2026.

8 4. AFS’s business and mailing address of record with the Department is 3112
9 Clearwater Dr., Ste. B, Prescott, Arizona 86305.

10 5. Mr. Stevenson is the designated responsible licensed producer for AFS.

11 6. On or about May 23, 2024, the Department received a complaint from W.R.
12 alleging that Mr. Stevenson has been barred by the U.S. Securities & Exchange
13 Commission (“SEC”) from the investment advisor industry.

14 7. The Department commenced an investigation into this matter. The
15 Department’s investigation found the following:

- 16 • On or about June 4, 2024, the Department emailed Mr. Stevenson to notify
17 him of the complaint and to request his response.
- 18 • On or about June 24, 2024, Mr. Stevenson’s attorney provided a response
19 on his behalf stating, in part, “[f]rom June 21, 2012, to August 2019, Mr.
20 Stevenson and AFS, in addition to offering insurance products to AFS’
21 clients, presented an opportunity for interested individuals to engage in
22 debentures issued by companies associated with EquiAlt, LLC (“EquiAlt”)

1 (the “EquiAlt Debentures”). Mr. Stevenson was led to believe that these
2 debentures had characteristics similar to annuities.”

- 3 • A review of the records and information received revealed that from
4 around 2012 to 2019 Respondents presented the opportunity to invest in
5 the EquiAlt debentures to some of his clients. Respondents told interested
6 individuals that their money in EquiAlt Debentures would be used to flip,
7 lease, or purchase distressed or foreclosed real estate or land and that the
8 investors would receive a return on their principal. Respondents entered
9 into approximately 254 EquiAlt Debentures with a total value of
10 \$17,111,131.00 and earned commission totaling approximately
11 \$2,010,802. In 2020, Mr. Stevenson learned that the Securities and
12 Exchange Commission (“SEC”) brought an action against EquiAlt and
13 appointed attorney Burton W. Wiand as EquiAlt’s receiver.

- 14 • On or about April 28, 2022, the Arizona Corporation Commission
15 (“ACC”) issued an Opinion and Order against Respondents due to, among
16 other findings, “violations of the Securities Act and IM [Investment
17 Management] Act. ... Respondents offered and sold unregistered
18 securities, while not registered as dealers or salesmen.” The ACC Order
19 revoked Respondents’ investment adviser licenses and ordered
20 Respondents to pay restitution in the principal amount of \$19,459,875.00.

- 21 • On or about January 12, 2023, the Superior Court of Arizona Maricopa
22 modified the AAC’s decision to “reduce the restitution award from

1 territory. A.R.S. § 20-295(A)(9).

2 12. Respondents’ conduct as described above, failed to notify the Director of an
3 administrative action by another governmental body in another jurisdiction or by another
4 governmental agency in this state. A.R.S. § 20-301(A).

5 13. Grounds exist, for the Director to deny, suspend for not more than twelve
6 months, revoke or refuse to renew Respondents’ insurance producer licenses. A.R.S. § 20-
7 295(A).

8 **ORDER**

9 **IT IS HEREBY ORDERED THAT:**

10 1. Ronald Frank Stevenson’s Arizona resident insurance producer licensees,
11 National Producer Number 7502408 is revoked effective immediately

12 2. American Financial Security, LLC’s Arizona insurance producer license,
13 National Producer Number 8301591, is revoked effective immediately.

14 Effective this ^{17th} day of December, 2024.

15 *Barbara D. Richardson*

16 _____
Barbara D. Richardson, Director
17 Arizona Department of Insurance and Financial Institutions
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CONSENT TO ORDER

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1. Respondents acknowledge that they have been served with a copy of the foregoing Consent Order in the above-referenced matter, have read it, are aware of their right to an administrative hearing in this matter and have knowingly and voluntarily waived that right.

2. Respondents accept the personal and subject matter jurisdiction of the Department over them in this matter.

3. Respondents acknowledge that no promise of any kind or nature has been made to induce them to sign the Consent to Order and they have done so knowingly and voluntarily.


4. Respondents acknowledge and agree that the acceptance of this Consent to Order by the Director is solely to settle this matter and does not preclude the Department from instituting other proceedings as may be appropriate now or in the future. Furthermore, and notwithstanding any language in this Consent Order, this Consent Order does not preclude in any way any other state agency or officer or political subdivision of this state from instituting proceedings, investigating claims, or taking legal action as may be appropriate now or in the future relating to this matter or other matters concerning Respondents, including but not limited to violations of Arizona’s Consumer Fraud Act. Respondents acknowledge that, other than with respect to the Department, this Consent Order makes no representations, implied or otherwise, about the views or intended actions of any other state agency or officer or political subdivision of the state relating to this matter or other matters concerning Respondents.

1 5. Respondents waive all rights to seek an administrative or judicial review or
2 otherwise to challenge or contest the validity of this Consent Order and its accompanying
3 parts before any court of competent jurisdiction.

4 6. Respondents acknowledge that this Consent Order is an administrative action
5 that the Department will report to the National Association of Insurance Commissioners
6 (NAIC). Respondents further acknowledge that they must report this administrative action
7 to any and all states in which Respondents' hold an insurance licensee's and must disclose
8 this administrative action on any license application.

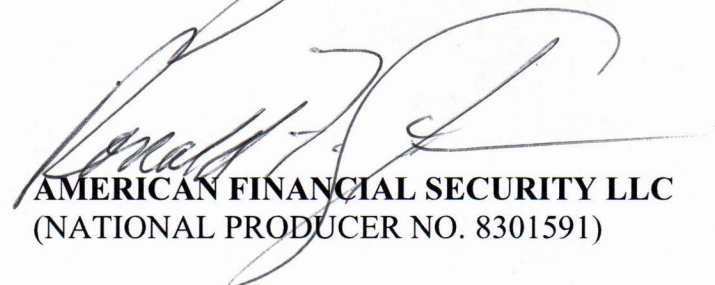
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12-4-2024
DATE



RONALD FRANK STEVENSON
(NATIONAL PRODUCER NO. 7502408)

DATE 12-4-2024



AMERICAN FINANCIAL SECURITY LLC
(NATIONAL PRODUCER NO. 8301591)

1 **COPY** of the foregoing delivered via email
this 17th day of December, 2024, to:

2 Ronald Frank Stevenson and
3 American Financial Security LLC
3112 Clearwater Dr Ste B,
4 Prescott, Arizona 86305
ron@afsprescott.com
5 Respondent

6 Tasha N Cycholl, Esq.
Kutak Rock, LLP
7 tasha.cycholl@kutakrock.com
Attorney for Respondent

8 **COPY** of the foregoing delivered/mailed same date, to:

9 Alena Caravetta, Regulatory Legal Affairs Officer
10 Ana Starcevic, Project Specialist
Rachel Smith, Investigator
11 Catherine O'Neil, Consumer Regulatory Affairs Officer
Steven Fromholtz, Division Manager, Licensing
12 Linda Lutz, Legal Assistant, Licensing
Aqueelah Currie, Licensing Supervisor
13 Arizona Department of Insurance and Financial Institutions
100 North 15th Avenue, Suite 261
14 Phoenix, Arizona 85007-2630

15
16 *Mayra Kariem*
