

BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA

FILED

APR 19 2016

INSURANCE COMMISSIONER
OKLAHOMA

STATE OF OKLAHOMA, ex rel. JOHN)
DOAK, Insurance Commissioner,)
)
Petitioner,)
)
v.)
)
FINANCIAL SERVICES)
INTERNATIONAL CORP)
an applicant for reinstatement of a nonresident)
business entity insurance producer license,)
)
Respondent.)

Case No. 16-0377-DEN

CONDITIONAL ADMINISTRATIVE ORDER
AND NOTICE OF RIGHT TO BE HEARD

COMES NOW the State of Oklahoma, ex rel. John Doak, Insurance Commissioner, by and through his attorney, Dan R. Byrd, and alleges and states as follows:

JURISDICTION

1. John Doak is the Insurance Commissioner of the State of Oklahoma and is charged with the duty of administering and enforcing all provisions of the Oklahoma Insurance Code, 36 O.S. §§ 101 et seq.
2. Respondent is an applicant for reinstatement of a nonresident business entity insurance producer license in the State of Oklahoma. Respondent's address of record is 701 Fifth Ave., Ste. 6870, Seattle, WA 98104.
3. The Insurance Commissioner may place on probation, censure, suspend, revoke or refuse to issue or renew a license issued pursuant to the Oklahoma Producer

Licensing Act and/or may levy a fine up to \$1,000.00 for each occurrence of a violation of the Oklahoma Insurance Code, 36 O.S. § 1435.13(A) and (D).

ALLEGATIONS OF FACT

1. Respondent applied for reinstatement of a nonresident business entity insurance producer license on or about April 11, 2016 with the Oklahoma Insurance Department (OID). On the application form, the second question asks the following: “Has the business entity or any owner, partner, officer or director of the business entity, or manager or member of a limited liability company, ever been named or involved as a party in an administrative proceeding, including a Financial Industry Regulatory Authority (“FINRA”) sanction or arbitration proceeding regarding any professional or occupational license, or registration?” Respondent answered “No” to this question.

2. The application form defines being “involved” in an administrative proceeding as the following: “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 a 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 having a license, or registration application denied or the act of withdrawing an application to avoid a denial.” Applicants may only exclude “terminations due solely to noncompliance with continuing education requirements or failure to pay a renewal fee.”

3. A background check conducted by the OID Licensing Division showed that Respondent had the following administrative actions listed on its record: On August

1, 2012, the State of Washington Department of Financial Institution Securities Division entered into a Consent Order with Respondent and Candace Jean Lee (“Lee”). The Securities Division had previously issued a Statement of Charges, S-09-343-10-SC01, against Respondent and Lee. The Statement of Charges alleged that by failing to enter into written advisory agreements, failing to provide disclosure documents, and failing to provide a complete description of the share class option and fees of mutual funds, Respondent and Lee engaged in a practice which would operate as a deceit. The Statement of Charges further alleged that Respondent and Lee failed to reasonably supervise Respondent representatives in the offer and sale of mutual funds. Without admitting or denying the Securities Division’s allegations, Respondent and Lee agreed to cease and desist from violating RCW 21.20.010 and RCW 21.20.020. Respondent agreed to pay a fine of \$25,000 and investigative costs of \$15,000. Lee was suspended from acting in any principal or supervisory capacity with any firm for a period of twelve months and will have to retake and pass the examination for registration as a general securities principal. Respondent and Lee waived their rights to a hearing and judicial review of the matter. Accordingly, Respondent did not properly disclose the aforementioned administrative actions in the license reinstatement application.

ALLEGED VIOLATIONS OF LAW

1. Respondent violated 36 O.S. § 1435.13(A)(1); providing incorrect, misleading, incomplete or materially untrue information in the license application.

ORDER

IT IS THEREFORE ORDERED by the Insurance Commissioner that Financial Services International Corp is **FINED TWO HUNDRED FIFTY DOLLARS (\$250.00)**

for providing incorrect, misleading, incomplete or materially untrue information in the license reinstatement application. **The \$250.00 fine is to be paid within thirty (30) days** made payable to the Oklahoma Insurance Department. The \$250.00 civil fine shall be paid by money order or cashier's check. Respondent's reinstatement application for a nonresident business entity insurance producer license may be granted upon receipt of payment of the fine and reporting of the administrative action. Failure to pay the civil fine or request a hearing within thirty (30) days will result in your license reinstatement application being withdrawn.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED by the Insurance Commissioner that this Order is a Conditional Order. Unless the Respondent requests a hearing with respect to the Allegations of Fact set forth above within thirty (30) days of the date of mailing of this Order, this Order and the penalties set forth above shall become a Final Order on the thirty-first day following the date of mailing this Order. A request for hearing should be in writing addressed to Dan R. Byrd, Oklahoma Insurance Department, Legal Division, 3625 NW 56th St., Suite 100, Oklahoma City, Oklahoma 73112. The request for hearing must state the grounds for the request to set aside or modify the Order.

Any such hearing shall be conducted according to the procedures for contested cases under the Insurance Code and 75 O.S. § 250-323. If the Respondent serves a timely request for hearing on the Oklahoma Insurance Department, this Conditional Order shall act as notice of the matters to be reviewed at the hearing, and the Allegations of Fact, Alleged Violations of Law, and penalties imposed in this Conditional Order shall be considered withdrawn, pending final resolution at the hearing.

WITNESS My Hand and Official Seal this 19th day of April, 2016.



JOHN DOAK
INSURANCE COMMISSIONER
STATE OF OKLAHOMA

Dan R. Byrd
Assistant General Counsel
3625 NW 56th St., Suite 100
Oklahoma City, OK 73112

CERTIFICATE OF MAILING

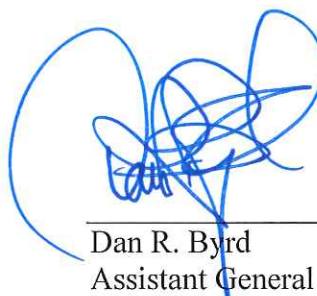
I, Dan R. Byrd, hereby certify that a true and correct copy of the above and foregoing Conditional Administrative Order and Notice of Right to be Heard was mailed by certified mail, with postage prepaid and return receipt requested, on this 19th day of April, 2016, to:

Financial Services International Corp
ATTN: Brenda R. Pingree
701 Fifth Avenue, Suite 6870
Seattle, WA 98104

CERTIFIED MAIL NO. 7015 3010 0001 4604 2314

and a copy was delivered to:

Angel Edingfield
Licensing Division



Dan R. Byrd
Assistant General Counsel

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com

OFFICIAL USE



Certified Mail Fee \$ _____

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Return Receipt (hardcopy) \$ _____

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Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Sent To
 Street and Apt. No., or PO Box
 City, State, ZIP+4®

Financial Services International Corp.
 Attn: Brenda R. Pingree
 701 Fifth Avenue, Suite 6870
 Seattle, WA 98104
16-0377-DEN/DRB(mt)
(Con.Adm.Ord. & Notice- 4-19-16)

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

4322 4044 1000 0100 5100

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

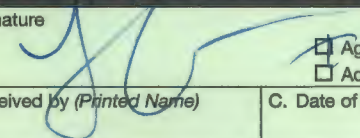
Financial Services International Corp.
 Attn: Brenda R. Pingree
 701 Fifth Avenue, Suite 6870
 Seattle, WA 98104
16-0377-DEN/DRB(mt)
(Con.Adm.Ord. & Notice- 4-19-16)



2. Article Number (Transfer from service label)

7015 3010 0001 4604 2314

COMPLETE THIS SECTION ON DELIVERY

A. Signature  Agent Addressee

B. Received by (Printed Name) _____ C. Date of Delivery _____

D. Is delivery address different from item 1? Yes No
 If YES, enter delivery address below: _____

RECEIVED
 OKLAHOMA INSURANCE DEPARTMENT
 MAY 09 2016
 Legal Division

3. Service Type

Adult Signature Priority Mail Express®

Adult Signature Restricted Delivery Registered Mail™

Certified Mail® Registered Mail Restricted Delivery

Certified Mail Restricted Delivery Return Receipt for Merchandise

Collect on Delivery Signature Confirmation™

Collect on Delivery Restricted Delivery Signature Confirmation Restricted Delivery

Insured Mail Insured Mail Restricted Delivery (over \$500)

PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt