

BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA

FILED

JUN 14 2016

STATE OF OKLAHOMA, ex rel. JOHN DOAK, Insurance Commissioner,

Petitioner,

INSURANCE COMMISSIONER
OKLAHOMA

v.

Case No. 16-0572-DEN

VALIC FINANCIAL ADVISORS, INC.
an applicant for a nonresident business entity
insurance producer license,

Respondent.

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, Barron B. Brown, 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., including the Oklahoma Producer Licensing Act (the “Act”), 36 O.S. §§ 1435.1 through 1435.41.

2. VALIC Financial Advisors, Inc. (“Respondent”) is an applicant for a nonresident business entity insurance producer license in the State of Oklahoma. Respondent’s address of record is 2929 Allen Parkway L7-10, Houston, Texas 77019.

3. The Insurance Commissioner may place on probation, censure, suspend, revoke or refuse to issue or renew a license issued pursuant to the 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. On or about April 6, 2016, Respondent applied for a nonresident business entity insurance producer license 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 history listed on its record: voluntary

entry of an Acceptance, Waiver, & Consent (“AWC”) disciplinary action with the FINRA on or about October 12, 2007. The AWC resulted in a censure and monetary penalty/fine of \$250,000 against Respondent.

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 Respondent is **FINED THREE HUNDRED DOLLARS (\$300.00)** for a violation of 36 O.S. § 1435.13(A)(1). **The \$300.00 fine is to be paid within thirty (30) days** made payable to the Oklahoma Insurance Department. The \$300.00 civil fine shall be paid by money order or cashier’s check. Respondent’s 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 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 Barron B. Brown, 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 14th day of June, 2016.



JOHN DOAK
INSURANCE COMMISSIONER
STATE OF OKLAHOMA

Barron B. Brown

Barron B. Brown
Assistant General Counsel
3625 NW 56th St., Suite 100
Oklahoma City, OK 73112
(405) 521-2746

CERTIFICATE OF MAILING

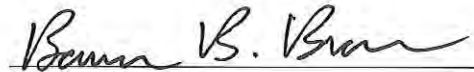
I, Barron B. Brown, hereby certify that a true and correct copy of the above and foregoing *Conditional Administrative Order and Notice of Right to be Heard* was mailed by certified mail, with postage prepaid and return receipt requested, on this 19th day of June, 2016, to:

VALIC Financial Advisors, Inc.
2929 Allen Parkway L7-10
Houston, TX 77019

CERTIFIED MAIL NO. 7015 3010 0001 4604 0655

and a copy was delivered to:

Licensing Division



Barron B. Brown
Assistant General Counsel

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
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VALIC Financial Advisors, Inc.
 2929 Allen Parkway L7-10
 Houston, TX 77019
 rlg/16-0572-DEN(BBB)/Cond Adm Ord



PS Form 3800, April 2015 PSN 7530-02-000-9053

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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:

VALIC Financial Advisors, Inc.
 2929 Allen Parkway L7-10
 Houston, TX 77019
 rlg/16-0572-DEN(BBB)/Cond Adm Ord

2. Article Number (Transfer from service label)
 7015 3010 0001 4604 0655

COMPLETE THIS SECTION ON DELIVERY

A. Signature
 X  Agent
 Addressee

B. Received by (Printed Name)
 KALCOZ

C. Date of Delivery
 6/16

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

3. Service Type

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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)

OKLAHOMA INSURANCE DEPARTMENT
 JUN 21 2016

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

Domestic Return Receipt