

STATE OF ALASKA

DEPARTMENT OF COMMUNITY & ECONOMIC DEVELOPMENT

DIVISION OF INSURANCE

In re: )  
 )  
 APPLICATION FOR LICENSE )  
 OF DAVID B. WADLEY, )  
 3025 101<sup>st</sup> Place S. E. )  
 Everett, WA 98208. )

Case No. LD 01-02

STIPULATED AGREEMENT AND ORDER

The Division of Insurance (division), David B. Wadley (Mr. Wadley), and Todd Adams (Mr. Adams), stipulate and agree to the following:

I. BACKGROUND

A. On or about September 1, 2000, the division received an application for an insurance producer license from Mr. Wadley to represent General Electric Capital Assurance Company as its agent to transact life and health lines of insurance.

B. As part of his application, Mr. Wadley indicated that he had filed bankruptcy in 1991, had been involved in misappropriation of funds, and had been involved in an administrative proceeding. Mr. Wadley provided information to the division regarding these occurrences and the circumstances behind them.

C. The division initiated an investigation of Mr. Wadley to verify that the information Mr. Wadley provided was accurate and complete. That investigation confirmed that Mr. Wadley misappropriated approximately \$150,000 from his company's trust account when he was licensed as a resident in California and that he then filed bankruptcy. The

STATE OF ALASKA  
 DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT  
 DIVISION OF INSURANCE  
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1 California Department of Insurance conducted two investigations regarding Mr. Wadley's  
2 actions, both of which were closed without any formal administrative action.

3 D. Prior to the discharge of Mr. Wadley's bankruptcy in November 1991, he  
4 moved to Washington and applied for a resident insurance license. Although the Washington  
5 regulators initially denied his request for a license, they issued Mr. Wadley a restricted license  
6 in January 1992. Mr. Wadley is currently licensed in Washington and in good standing in that  
7 state.  
8

9 E. The director has fully reviewed Mr. Wadley's file, including the  
10 circumstances of his misappropriation of funds and bankruptcy.

11 II. TERMS OF AGREEMENT

12 1. The division will issue an insurance producer license for Mr. Wadley  
13 subject to the following conditions:  
14

15 a. Within six months of the date the director signs the order  
16 approving this agreement, Mr. Wadley will successfully complete a course in professional  
17 ethics in insurance that has been approved in advance by the director or his designee and  
18 provide proof of that completion to the division.  
19

20 b. <sup>HW</sup> Mr. ~~Tyrce~~ Wadley will submit to the division semi-annual sworn  
21 statements indicating that he has complied with the insurance code and applicable regulations.

22 The statements should be in a form similar to the attached Exhibit A and must also be signed  
23 under oath by his supervisor, Mr. Adams, or his successor. If a new supervisor replaces Mr.  
24 Adams, Mr. Wadley agrees to provide the director with a letter from the new person agreeing to  
25 assume the obligations of Mr. Wadley's supervisor under this agreement. These conditions will  
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1 remain in effect for three years from the date the division issues Mr. Wadley a license. During  
2 that period of time, Mr. Wadley will report directly to Mr. Adams or his successor.

3 c. Mr. Wadley may not collect premium trust money funds for a  
4 period of five years from the issuance of his license. He may, however, collect checks for  
5 insurance premiums that indicate the insurer as the payee. At the end of the five-year period,  
6 Mr. Wadley may apply to the division for an insurance license that gives him the authority to  
7 handle premium trust funds, subject to certain conditions and reporting requirements to be  
8 established by the division, including providing to the division for approval a plan of operation  
9 to ensure compliance with the insurance statutes and regulations, a description of internal  
10 accounting procedures including premium trust account procedures and regular financial  
11 reporting regarding the status of the premium trust account. The parties understand that this  
12 agreement may be amended to enumerate such new conditions and reporting requirements and  
13 any such amendment must be in writing, signed by all the parties.  
14

15  
16 d. Should Mr. Wadley change his place of employment or represent  
17 any new insurer as its agent at any time within three years from the issuance of his license, he  
18 must provide each new employer with a copy of this agreement, and he must first provide the  
19 director with a letter from the supervisor of his new employer agreeing to assume the  
20 obligations of his supervisor under this agreement.  
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22 e. In addition to the notice requirements of AS 21.27.025, Mr.  
23 Wadley will immediately notify the director of any criminal investigation involving him or any  
24 criminal charges that have been filed against him.  
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2. By signing this agreement, Mr. Wadley and Mr. Adams understand and agree that any failure to comply with the terms of this agreement may be grounds to revoke, suspend, or non-renew Mr. Wadley's Alaska insurance license.

DATED: 9/17/01

DIVISION OF INSURANCE

By: Linda Brunette  
Linda Brunette  
Licensing Supervisor

DATED: 9/5/01

David B. Wadley  
David B. Wadley

DATED: 9/5/01

GENERAL ELECTRIC CAPITAL  
ASSURANCE COMPANY

By: Todd Adams  
Todd Adams  
Regional Manager

Approved as to form and content:

DATED: 9/24/01

BRUCE M. BOTELHO  
ATTORNEY GENERAL

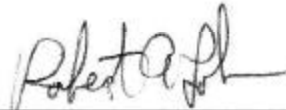
By: Nathaniel B. Atwood  
Nathaniel B. Atwood  
Assistant Attorney General

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ORDER

1  
2 IT IS ORDERED that this Stipulated Agreement and Order is adopted in full  
3 resolution of the issues in this case, and shall constitute the final order in this matter.

4 DATED this 24<sup>th</sup> day of September, 2001.

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8 Robert A. Lohr  
9 Director  
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