

**BEFORE THE INSURANCE COMMISSIONER
FOR THE STATE OF ARKANSAS**

ARKANSAS INSURANCE DEPARTMENT,)
Petitioner)
)
vs.)
)
LEE CHARLES JOHNSON,)
Respondent)

A.I.D. NO. 2012-

285

EMERGENCY SUSPENSION ORDER

On this day, the emergency matter of Lee Charles Johnson (“Respondent”) came before Jay Bradford, Arkansas Insurance Commissioner (“Commissioner”). The Arkansas Insurance Department (“Department”) was represented by Amanda J. Andrews, Associate Counsel, in this matter. From the facts and law before the Commissioner, he finds as follows:

FINDINGS OF FACT

1. Respondent holds an Arkansas Resident Producer License, number 344849, and his mailing address is 17200 Chenal Parkway, Little Rock, Arkansas.
2. On March 15, 2012, Respondent entered a plea of guilty in the United States District Court for the Eastern District of Arkansas, Case No. 4:12CR00073, to one (1) count of mail fraud, a violation of 18 U.S.C. § 1341.
3. Respondent admitted to voluntarily and intentionally devising or making up a scheme to defraud another person out of money, property or property rights by material false misrepresentations or promises, that he did so with the intent to defraud, and that he used mail in furtherance of the scheme. Specifically, Respondent sold securities and investment opportunities to three companies to at least 46 couples, individuals, and entities, and he did not have a valid

license to do so. Respondent used his client's investment money for his own personal use, including purchasing trips and vehicles, making child support payments, and paying his children's private school tuition. To date, the loss is \$734,846.38, and Respondent was ordered to pay restitution to his clients.

CONCLUSIONS OF LAW

From the Findings of Fact contained herein, the Commissioner concludes as follows:

4. The Commissioner has jurisdiction over the parties and the subject matter pursuant to Arkansas Code Annotated § 23-61-103.

5. The Commissioner has the authority to issue an emergency license suspension pursuant to Arkansas Code Annotated §§ 23-64-216(e) and 25-15-211(c).

6. Arkansas Code Annotated §§ 23-64-201(e) and 23-64-517(b) require a licensee to report any criminal charge or plea in any court within thirty (30) days, and failure to so report may result in immediate suspension of the license.

7. The Commissioner may suspend or revoke a producer's license for any one (1) or more of the following causes: violating a law; having been convicted of a felony; demonstrating a lack of good personal and business reputation Ark. Code Ann. § 23-64-512(a)(2)(A), (a)(6), (a)(8).

8. Respondent admitted to defrauding individuals of money, and he was convicted in federal court of mail fraud.

9. For the public health, safety, and welfare of the people of this State, the Commissioner concludes that the Respondent's Arkansas Resident Producer License, number 344849, is immediately and summarily suspended pending an administrative hearing pursuant to

Arkansas Code Annotated § 23-64-216(e). A Notice of Hearing will be sent to the Respondent simultaneously with this Order.

IT IS HEREBY ORDERED that:

Respondent's Arkansas Resident Producer License, number 344849, is hereby **SUSPENDED**. Respondent shall not, during the term of this suspension, conduct the business of insurance in the State of Arkansas.

IT IS SO ORDERED THIS 13th **day of April, 2012.**


JAY BRADFORD
INSURANCE COMMISSIONER
STATE OF ARKANSAS