

Roy E. Grady
National Producer #683329

STATE OF MAINE
BUREAU OF INSURANCE

Docket No. INS-07-217

CONSENT AGREEMENT

This document is a Consent Agreement authorized by Title 10 M.R.S.A. § 8003(5), entered into among Roy E. Grady, a resident of Washington; the Maine Superintendent of Insurance; and the Maine Department of the Attorney General. Its purpose is to resolve, in lieu of an adjudicatory proceeding, issues implicating Title 24-A M.R.S.A. §1417(1) and §1420-K(1)(A).

STATEMENT OF FACTS

1. The Superintendent of Insurance is the official charged with administering and enforcing Maine's insurance laws and regulations, and the Bureau of Insurance is the administrative agency with such jurisdiction.

2. Roy E. Grady applied for a Maine Nonresident Producer License in August, 2007.

Failure to disclose administrative matter

3. Item 39(2) of the background questions on the application form required a response to the following question:

“Have you or any business in which you are or were an owner, partner, officer or director, or member or manager of limited liability company, ever been involved in an administrative proceeding regarding any professional or occupational license? ...

“If you answer yes, you must attach to this application:

- a) a written statement identifying the type of license and explaining the circumstances of each incident,
- b) a certified copy of the Notice of Hearing or other document that states the charges and allegations, and
- c) a certified copy of the official document, which demonstrates the resolution of the charges or any final judgment.”

4. Mr. Grady answered “Yes” to Item 39(2).

5. The application included Mr. Grady's signature dated “8-1-07” under the statement:

“I hereby certify that, under penalty of perjury, all of the information submitted in this application and attachments is true and complete. I am aware that submitting false information or omitting pertinent or material information in connection with this application is grounds for license revocation or denial of the license and may subject me to civil or criminal penalties.”

6. Mr. Grady included documentation and descriptions of a 2002 Consent Order in Washington which imposed a 30 day license suspension; a one year period of license probation in California; and a 2002 Letter of Caution from the National Association of Securities Dealers, all pertaining to Mr. Grady's sales of a pay telephone investment to two investors in 1998.

7. Staff of the Maine Bureau of Insurance discovered, through its application review process, that Mr. Grady had also been subject to a \$250.00 penalty in the State of Kentucky as an insurance producer in 2004.

8. The Supervisor of Licensing for the Maine Bureau of Insurance requested, by letter dated and sent by facsimile on August 28, 2007, an explanation for Mr. Grady's failure to disclose the Kentucky penalty, and requested relevant documentation.

9. Mr. Grady's reply, received by facsimile on August 28, 2007, included a copy of the Kentucky "Order imposing civil penalty," which was based upon Mr. Grady's failure to disclose the Washington and California actions in the manner required by Kentucky statute, and stated the following regarding his nondisclosure of the Kentucky matter on the Maine application:

"I apologize for failing to include the action taken by the Kentucky Insurance Department in December 2004. I have included the information addressing the civil penalty ordered by the Kentucky Insurance Department."

CONCLUSIONS OF LAW

10. The application form's disclosure questions specifically require disclosure of insurance administrative matters.

11. Mr. Grady provided incorrect, misleading, incomplete or materially untrue information in his Maine application for nonresident producer licensing by failing to disclose the Kentucky action when he applied, and certifying by his signature on the application that the information was true and complete, and has not provided an adequate legal explanation for this failure to provide accurate information.

12. The provision of incorrect, misleading, incomplete or materially untrue information in the license application constitutes grounds for denial of the license application or other appropriate action, including the imposition of a civil penalty, under 24-A M.R.S.A. §1420-K(1)(A).

COVENANTS

13. Roy E. Grady, the Maine Bureau of Insurance, and the Maine Department of the Attorney General agree to the following.

14. This Consent Agreement is entered into in accordance with 10 M.R.S.A. § 8003(5)(B) and is not subject to review or appeal. This Consent Agreement is enforceable by an action in the Superior Court.

15. At the time of executing this Consent Agreement, Mr. Grady will remit to the Maine Bureau of Insurance a civil penalty in the amount of \$100.00, payable to the Treasurer of the State of Maine.

16. Mr. Grady will promptly report any matters to the Maine Bureau of Insurance during all times as he is licensed through the Bureau, to the extent such reporting is required under the Maine Insurance Code, and will comply in all other respects with the provisions of the Maine Insurance Code, as applicable.

17. In consideration of the applicant's execution of this Consent Agreement, the State of Maine Bureau of Insurance shall issue the Nonresident Producer License for which he has applied.

18. Mr. Grady understands and acknowledges that this Agreement will constitute a public record within the meaning of 1 MRSA § 402, and will be available for public inspection and copying as provided for by 1 MRSA § 408, and will be reported to the NAIC "RIRS" database.

19. In consideration of the applicant's execution of and compliance with the terms of this Consent Agreement, the Superintendent of Insurance, Bureau of Insurance, and Department of the Attorney General agree to forgo pursuing further disciplinary measures or other civil or administrative sanction for the actions described in this Consent Agreement, other than those agreed to herein. However, should Mr. Grady violate this Consent Agreement, he may be subject to any available legal remedy for the violation, including without limitation the suspension or revocation of all licenses issued to the applicant under the Maine Insurance Code.

20. Nothing in this Agreement shall affect the rights or interests of any person who is not a party to this Agreement.

Roy E. Grady

Dated: _____, _____

Roy E. Grady

State of Washington, _____, ss

Subscribed and Sworn to before me
this _____ day of _____, _____.

Notary Public

(printed name)

THE MAINE SUPERINTENDENT OF INSURANCE

Dated: _____, _____

Eric A. Cioppa, Acting Superintendent

FOR THE DEPARTMENT OF THE ATTORNEY GENERAL

Dated: _____, _____

Assistant Attorney General

(printed name)