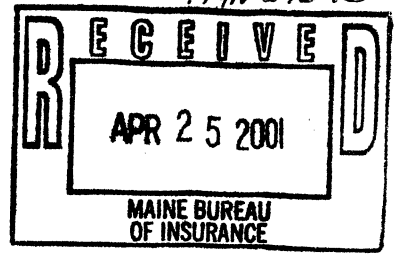


179W 27242



In re:
Securities America, Inc.

STATE OF MAINE
BUREAU OF INSURANCE
Docket No. INS-01-2513

CONSENT AGREEMENT

This document is a Consent Agreement authorized by Title 10 M.R.S.A. § 8003(5), entered into between Securities America, Inc., a Delaware corporation with its principal place of business in Omaha, Nebraska, and the Maine Bureau of Insurance. Its purpose is to resolve, in lieu of an adjudicatory proceeding, a violation of Title 24-A M.R.S.A §1417(1)(C).

STATEMENT OF FACTS

1. The Superintendent of Insurance is the official charged with administering and enforcing Maine's insurance laws and regulations. The Bureau of Insurance is the agency with jurisdiction over same.
2. Securities America, Inc. applied for a Maine Nonresident Agency Branch Registration in July, 2000.
3. Item D on the Maine "Agency Registration for Branch Locations" form filed with the Bureau required a response to the following question: "Has the agency ever been subject to an action by an insurance regulatory official or any other professional licensing organization? If Yes, explain and provide documentation."
4. The applicant answered "No" to Item D.
5. The application included Walter Thomas Cross's signature as the responsible officer of the corporation, dated July 18, 2000, under the statement: "I hereby state the above answers are complete and true."
6. Staff of the Maine Bureau of Insurance discovered, through its routine application review process, that in 1997 through 1999 Securities America, Inc. had been party to three administrative actions for late filings, issued by the Kansas Department of Insurance as "routine department actions," but resulting in two penalties of \$100.00 and a penalty of \$200.00.
7. Bureau staff also discovered an administrative action in Pennsylvania, which occurred in 1999 and arose from the applicant's failure to timely renew certain licenses, resulting in a fine of \$7,500.00.
8. The Supervisor of Licensing for the Maine Bureau of Insurance requested, by letter, an explanation for Securities America Inc.'s failure to disclose the total of four matters from Kansas and Pennsylvania.

9. The Bureau received a written reply from Walter Thomas Cross, the firm's Senior Vice President, which provided background explanations of the Kansas and Pennsylvania actions, but did not provide any explanation for the failure to disclose these four matters as required in the Maine application.

CONCLUSIONS OF LAW

10. Securities America, Inc. failed to disclose material facts in its Maine application for nonresident licensing.

11. The firm's failure in its Maine nonresident agency application to disclose the Kansas and Pennsylvania matters constituted violations of 24-A M.R.S.A. §1417(1)(C), which provides that obtaining or attempting to obtain any license through misrepresentation, failure to disclose a material fact required to be disclosed in the application or fraud constitutes grounds for denial of the license application.

COVENANTS

12. Securities America, Inc. and the Staff of the Maine Bureau of Insurance agree to the following:

13. A formal hearing in this matter is waived and no appeal will be taken. This Consent Agreement is an enforceable final agency action within the meaning of the Maine Administrative Procedure Act.

14. At the time of executing this Consent Agreement, Securities America, Inc. will remit to the Maine Bureau of Insurance an administrative penalty in the amount of \$600.00, payable to the Treasurer of the State of Maine.

15. Securities America, Inc. will promptly report any matters to the Maine Bureau of Insurance during all times as it 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.

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

MISCELLANEOUS

17. Securities America, Inc. 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.

18. Nothing herein shall prohibit the Superintendent or the Maine Bureau of Insurance from seeking an Order to revoke or suspend Securities America, Inc.'s license in the State of Maine in the event that it does not comply with the above terms or in the event the Bureau receives evidence that further legal action is necessary for the protection of Maine consumers.

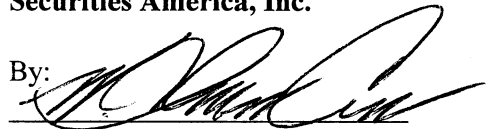
19. Nothing in this Agreement shall affect the rights or interests of any person who is not a party to this Agreement.

20. The Superintendent may issue a Consent Order in this matter, a copy of which is attached.

EXECUTION PAGE – SECURITIES AMERICA, INC. CONSENT AGREEMENT

Dated: April 24, 01

Securities America, Inc.


By: 

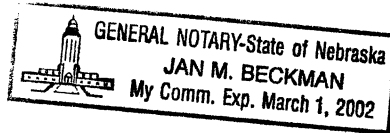
WALTER T. CROSS
(printed name)

Its: Senior Vice President
(Title)

State of Nebraska
County of Douglas

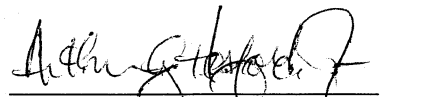
Subscribed and Sworn to before me
this 24th day of April, 2001.


Notary Public/ Attorney



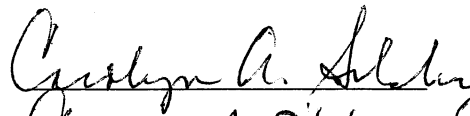
FOR THE MAINE BUREAU OF INSURANCE

Dated: April 20, 2001


Arthur G. Hosford, Jr., Attorney

FOR THE MAINE ATTORNEY GENERAL

Dated: April 30, 2001


Carolyn A. Sitsby
(printed name)
Assistant Attorney General