

STATE OF NEW HAMPSHIRE  
INSURANCE DEPARTMENT

In Re Gary A. Gahan and Seniors Financial Strategies, Inc.  
Docket No.: INS 09-020-EP

**NHID'S REQUEST FOR FINDINGS OF FACT AND RULINGS OF LAW**

The New Hampshire Insurance Department submits the following Requests for Findings of Fact and Rulings of Law:

**I. REQUEST FOR FINDINGS OF FACT**

**A. The Respondents**

1. Gary Gahan is a licensed New Hampshire insurance producer. (Exh. 35; v. 4, p. 1.)
2. Seniors Financial Strategies, Inc. ("SFS") is a licensed New Hampshire insurance producer. (Exh. 36; v. 4, p. 12.)
3. SFS is a New Hampshire corporation that was formed on April 7, 2003. (Exh. 39; v. 4, p. 26.)
4. SFS's corporate status since at least April 9, 2010 has been "Not In Good Standing." (Exh. 39; v. 4, p. 26.)
5. SFS continues to conduct business in New Hampshire event though its corporate status is "Not In Good Standing." (Exh. 39; v. 4, p. 26; Gahan testimony.)
6. Gary Gahan ("Gahan") is employed by SFS. (*See, e.g.*, Exh. 41; v. 4, pp. 39, 41; Gahan testimony.)
7. Stephen G. Bennett ("Bennett") is the President of SFS (*See, e.g.*, Exh. 45; v. 4, p. 55; Gahan testimony.)
8. Bennett's New Hampshire insurance producer's license expired on January 31, 2004. (Exh. 37; v. 4, p. 15.)
9. On August 20, 2010, the NHID received a letter dated August 19, 2010 on "Bennett Law Offices" stationery advising that "Stephen G. Bennett, Esq." was appearing in this case on behalf of Gahan. The letterhead listed offices in New Hampshire and Tennessee. (Exh. 46; v. 4, p. 58.)
10. On August 14, 2004, Bennett sent a letter on "Bennett Law Offices" stationery to James and Azora Crose of Chelmsford, Massachusetts. The August 14, 2004

letter listed the offices in New Hampshire and Tennessee that are listed on the August 19, 2010 letter. The letterhead used in the August 14, 2004 letter is identical to the letterhead used in the August 19, 2010 to the NHID. (Exh. 47; v. 4, p. 61; Exh. 46; v. 4, p. 58.)

11. Bennett has never been admitted to law in the State of New Hampshire. (Exh. 60.)
12. During a May 7, 2009 hearing in this matter, Bennett stated that he had once been admitted to practice law in Louisiana. (Exh. 53; p. 19, l. 24; p. 20, l.1-4.)
13. Bennett has never been admitted to law in the State of Louisiana. (Exh. 61.)
14. By an Order of Disbarment dated December 4, 2001, the State of Utah entered a judgment of disbarment against Bennett. (Exh. 50; v. 4, p. 78.)

**B. Lucille and Henry Soucy**

15. Henry Soucy was born on March 14, 1930. (*See, e.g.*, Exh. 26; v. 3, p. 30.)
16. Lucille Soucy was born on August 12, 1930. (*See, e.g.*, Exh. 26; v. 3, p. 30.)
17. Mr. Soucy died on June 15, 2010 (Lucille Soucy testimony.)
18. Mr. and Mrs. Soucy resided together for many years at 4 Ayer Street, Nashua, New Hampshire. (Lucille Soucy testimony.)
19. The property at 4 Ayer Street, Nashua, New Hampshire is a single-family home that, by early 2005, the Soucys owned unencumbered by any mortgage or lien. (Exh. 62.)
20. Mr. and Mrs. Soucy had no children by their marriage. (Lucille Soucy testimony.)
21. Mrs. Soucy has continued to reside at 4 Ayer Street since her husband's death. (Lucille Soucy testimony.)
22. Mr. Soucy was born in a small town in Maine and left school after or 7<sup>th</sup> or 8<sup>th</sup> grade. (Lucille Soucy testimony.)
23. Prior to his retirement, Mr. Soucy worked in a low-paying job on the mill floor of a paper company. (Lucille Soucy testimony.)
24. When Mr. Soucy retired from the paper company, he received no pension or other retirement benefits. (Lucille Soucy testimony.)
25. Mrs. Soucy was born in Quebec, Canada, and her first language is French. (Lucille Soucy testimony.)

26. Mrs. Soucy moved to Nashua, New Hampshire with her family when she was 14. (Lucille Soucy testimony.)
27. At age 15, Mrs. Soucy left school, having completed the 8<sup>th</sup> grade. (Lucille Soucy testimony.)
28. After leaving school in 1945, Mrs. Soucy went to work in a mill as a seamstress sewing gloves for the United States military. (Lucille Soucy testimony.)
29. Mrs. Soucy later worked for Sprague on the factory floor for many years “doing piece work.” (Lucille Soucy testimony.)
30. When Mrs. Soucy retired from Sprague, she received a pension benefit of approximately \$37 per month. (Lucille Soucy testimony.)
31. During their retirement, the Soucy’s income was comprised of Mrs. Soucy’s monthly pension payment from Sprague and a combined Social Security payment of approximately \$1,500 per month. (Lucille Soucy testimony.)
32. In 2005, Gahan was employed by 1<sup>st</sup> Mariner Bank as a reverse mortgage loan originator. (Exh. 42; v. 4, p. 43.)
33. Reverse mortgages are also known as home equity conversion mortgages. (Exh. 18, v. 3, p. 1.)
34. 1<sup>st</sup> Mariner Bank paid Gahan on a commission basis. (Exh. 42; v. 4, p. 43.)
35. By October 2005, both Mr. and Mrs. Soucy were experiencing serious health problems. (Lucille Soucy testimony.)
36. By October 2005, Mr. and Mrs. Soucy were worried about paying medical bills. (Lucille Soucy testimony.)
37. On October 12, 2005, Mr. and Mrs. Soucy closed on a home equity conversion mortgage issued by 1<sup>st</sup> Mariner Bank. (Exh. 21; v. 3, p. 7.)
38. Gahan was the loan originator of the Soucys’ reverse mortgage. (*See, e.g.*, Exh. 19; v. 3, p. 5.)
39. After subtracting closing costs and other fees from the total amount of the reverse mortgage, 1<sup>st</sup> Mariner Bank paid to the Soucys \$182,198.18. (Exh. 20; v. 3, p. 6; *see also* Exh. 24; v. 3, p. 18.)
40. 1<sup>st</sup> Mariner Bank paid Gahan a commission on his sale of a reverse mortgage to Mr. and Mrs. Soucy (Gahan testimony.)

41. ABC Viaticals, Inc. approved Gahan as a producer on May 21, 2004. (Exh. 44; v. 4, p. 49.)
42. A few weeks after selling the Soucys a reverse mortgage, Gahan sold the Soucys a \$100,000 life settlement contract issued by ABC Viaticals, Inc. (Exh. 25; v. 3, p. 21.)
43. The \$100,000 used to purchase the life settlement contract came from the proceeds of the reverse mortgage that Gahan sold the Soucys. (Gahan testimony; *see also* Exh. 24; v. 3, pp. 18, 20.)
44. Gahan made a commission of \$8,000 on the sale of the life settlement contract to the Soucys. (Exh. 25; v. 3, p. 29.)
45. On March 7, 2007, the President of ABC Viaticals, Inc., the issuer of the \$100,000 life settlement contract Gahan sold the Soucys, was convicted in Federal court of mail and wire fraud. (Exh. 25; v. 3, p. 27.)
46. In late 2006 or early 2007, a Federal court ordered ABC Viaticals, Inc. into receivership. (Exh. 63.)
47. Mrs. Soucy should expect to recover little or none of the \$100,000 premium she and Mr. Soucy paid for the life settlement contract issued by ABC Viaticals, Inc.
48. A few weeks after selling the Soucys a reverse mortgage, Gahan sold the Soucys a \$60,000 deferred annuity issued by Aviva Life Insurance Company. (Exh. 26, v. 3, pp. 30, 32; *see also* Exh. 27; v. 3, p. 33.)
49. At Gahan's direction, the Soucys used part of the proceeds of the reverse mortgage to purchase the \$60,000 Aviva annuity. (Gahan testimony; *see also* Exh. 24; v. 3, pp. 18, 20.)
50. SFS, through Gahan, made a commission of \$4,800 on the sale of the Aviva annuity contract to the Soucys. (Exh. 29; v. 3, p. 54.)
51. The interest rate the Soucys' earned on their Aviva annuity was less than the interest rate they were paying on the reverse mortgage proceeds that they used to fund the annuity. (Exh. 20; v. 3, p. 6; Exh. 28; v. 3, p. 45.)
52. On August 23, 2006, Mr. and Mrs. Soucy, at Gahan's direction, applied for a \$30,000 deferred annuity issued by Allianz Life Insurance Company. (Exh. 31; v. 3, p. 60.)
53. Gahan specifically represented on the Allianz Application that the Allianz annuity was not a replacement of another annuity. (Exh. 31; v. 3, p. 62.)

54. Gahan's representation that the Allianz annuity was not a replacement of another annuity was false. (Exh. 30; v. 3, p. 57; Nyhan testimony; and Gahan testimony.)
55. In fact, the Allianz annuity was a partial replacement of the Aviva annuity that Gahan had sold the Soucys less than a year earlier. (Exh. 30; v. 3, p. 57; and Gahan testimony.)
56. On the Allianz Product Suitability Form that accompanied the Soucys' Application for the \$30,000 Allianz annuity, Gahan, who completed the form for the Soucys, stated that the source of the premium for the Allianz annuity was the Soucys' "cash checking" account. (Exh. 33; v. 3, p. 76; Gahan testimony.)
57. Gahan's representation that the source of the premium for the Allianz annuity was the Soucys' "cash checking" account was false. (Exh. 30; v. 3, p. 57; Nyhan testimony.)
58. In fact, the source of the premium for the Soucys' Allianz annuity was the Soucys' Aviva annuity. (Exh. 30; v. 3, p. 57; and Gahan testimony.)
59. Gahan's sale of the Allianz annuity was an undisclosed replacement intended to deceive both Aviva and Allianz. (Nyhan testimony.)
60. Gahan's knowing execution of the undisclosed replacement of the Aviva annuity with the Allianz denied both Aviva and Allianz to effectively analyze the suitability of the replacement. (Nyhan testimony.)
61. SFS, through Gahan, was paid a commission on the sale of the Allianz annuity. (Gahan testimony.)
62. Gahan was involuntarily terminated by 1<sup>st</sup> Mariner Bank on July 21, 2008. (Exh. 43, v. 4, p. 48.)

**C. Helen and Gilbert Bemis**

63. Helen Bemis was born on January 20, 1922. (Exh. 8; v. 1, p. 123.)
64. Gilbert Bemis was born on July 9, 1928 (Exh. 1; v. 1, p. 2.)
65. Mr. and Mrs. Bemis resided together at 46 Sheri Ann Avenue, Nashua, New Hampshire. (Bemis testimony.)
66. The property at 46 Sheri Ann Avenue, Nashua, New Hampshire is a single-family home that, by early 2005, the Soucys owned encumbered only by a lien in the amount of \$6,695.37. (Exh. 57; *see also* Exh. 1; v. 1, p. 3.)

67. Mr. and Mrs. Bemis had no children by their marriage. (Bemis testimony.)
68. Mrs. Bemis died on December 23, 2006. (Exh. 8; v. 1, p. 123.)
69. Mr. Bemis has continued to reside at 46 Sheri Ann Avenue since his wife's death. (Bemis testimony.)
70. Mr. and Mrs. Bemis were high school graduates. (Bemis testimony.)
71. Prior to his retirement, Mr. Bemis worked as a machine operator on the factory floor of an electronics components manufacturer in Nashua. (Bemis testimony.)
72. In the summer of 2001, Gahan advised Helen and Gilbert Bemis to obtain a reverse mortgage so the Bemises could access the equity in their home to pay for unexpected household expenses. (Bemis testimony.)
73. At the time Mr. and Mrs. Bemis applied for the reverse mortgage, they had no available assets other than \$1,532.14 in monthly income and the equity in their home. (Exh. 1; v. 1, p. 2.)
74. On August 1, 2002, Mr. and Mrs. Bemis closed on a reverse mortgage issued by Wells Fargo. (Exh. 1; v. 1, pp. 1, 3.)
75. After subtracting closing costs and other fees from the total amount of the reverse mortgage, Wells Fargo paid \$133,419.62 to Mr. and Mrs. Bemis (Exh. 1; v. 1, p. 1.)
76. At Mr. Gahan's direction, within a week or two of closing on the reverse mortgage, Mr. and Mrs. Bemis used \$125,599.37 of the reverse mortgage proceeds to purchase five annuity contracts issued by Aviva Life Insurance Company. (Exh. 2; v. 1, pp. 12, 24, 25, 36, 45, 54, 60.)
77. In addition to the five Aviva annuities that Gahan sold the Bemises in August 2002, Gahan also sold the Bemises an Aviva annuity in March 2002. Proceeds from the reverse mortgage were not used to purchase this annuity. (Exh. 2; v. 1, p. 13; Bemis testimony.)
78. Gahan was paid commissions totaling \$14,029.29 on the sale of the Aviva annuities to the Soucys. (Exh. 2; v. 1, pp. 63-65.)
79. On May 13, 2005, Mrs. Bemis was admitted into Greenbriar Terrace Healthcare nursing home due to illness. (Bemis testimony; Exh. 3, v. 1, p. 66.)
80. Because of the amount of funds the Bemises had in their Aviva annuities, Mrs. Bemis did not qualify for Medicare and had to pay for the nursing themselves until they spent down the annuity funds to a legally-specified level. This so-

called “spend-down” resulted in Mr. and Mrs. Bemis incurring surrender charges as they withdraw funds from the Aviva annuities to pay Greenbriar Terrace. (*See, e.g.*, Exh. 2, v. 1, p. 39; Gahan testimony; Exh. 2; v. 1, pp. 24, 36, 45, 54.)

81. The “spend-down” referenced in the preceding paragraph would not have been necessary if the Gahan had not directed the Soucys to use the proceeds of their reverse mortgage to purchase annuities. (*Cf.* Gahan testimony.)
82. In April 2006, about a year after Mrs. Bemis was admitted into the nursing home, Gahan replaced three of the Bemises’ Aviva annuities with annuities issued by American Equity Investment Life Insurance Company. (Exh.56.)
83. SFS, through Gahan, was paid commissions totaling on the sale of the American Equity annuities to the Soucys. (Gahan testimony.)
84. The Aviva annuities paid a higher minimum guaranteed interest rate than the American Equity annuities that replaced them. (Nyhan testimony.)
85. The American Equity annuities carried higher surrender charges than the Aviva annuities they replaced. (Nyhan testimony.)
86. Between November 20, 2009 and January 21, 2010, Mr. Bemis made a total of ten withdrawals from his three American Equity annuities. (Exh. 7; v. 1, p. 78)
87. All ten withdrawals from the American Equity annuities were made at Gahan’s request and direction. (Bemis testimony.)
88. Gahan deposited each of the ten withdrawal checks issued by American Equity into a SFS bank account after having Mr. Bemis indorse each check over to “Seniors Financial Strategies, Inc.” (Exh. 7; v. 1; p. 78, 83, 89, 93, 97, 101, 106, 110, 114, 120 and 121; Bemis testimony; Gahan testimony.)
89. The total amount of the withdrawals from the American Equity annuities that was deposited into the SFS account was \$64,895.18. (Exh. 7; v. 1, p. 78.)
90. Gahan assured Gilbert Bemis that Gahan was only “borrowing” the \$64,895.10 and would repay the money with 6% interest. (Exh. 54; p. 5, l. 14-24; p. 6, l. 1-4.)
91. Gahan represented to American Equity that there was a written agreement between him and Mr. Bemis regarding the “borrowed” money. (Exh. 54; p. 5, l. 24; p. 6, l. 1-2.)
92. In fact, there was never a written agreement between Gahan and Mr. Bemis regarding the “borrowed” money. (Bemis testimony; Gahan testimony)

93. Mr. Bemis retained Attorney William Barry of Nashua, New Hampshire to assist him in determining what Gahan and SFS had done with Mr. Bemis' \$64,895.10. (Bemis testimony; *see also* Exh. 4; v. 1, p 68.)
94. By correspondence dated March 25, 2010 and June 17, 2010, Attorney Barry requested, in essence, that Gahan provide him with an accounting of Mr. Bemis' money. (Exh. 4; v.1, 68; Exh. 5, v. 1, p. 70.)
95. Gahan never responded to Attorney Barry's correspondence. (Exh. 5, v. 1, p. 70; Exh. 6, v. 1, p. 73; Gahan testimony.)
96. Gahan finally admitted during the hearing that he used Mr. Bemis' \$64,894.10 to pay "business expenses." (Gahan testimony.)
97. Gahan has never repaid Mr. Bemis the \$64, 894.10 that Gahan borrowed. (Bemis testimony; Gahan testimony.)
98. As a result of the withdrawals from the American Equity annuities, Mr. Bemis incurred surrender charges of \$11,907.98, bringing Mr. Bemis' total loss to \$76,803.16. (Exh. 7; v. 1, p. 78.)
99. Each of the American Equity Partial Withdrawal Request forms bore the handwritten statement: "I am aware of the withdrawal penalty on this contract." Additionally, some of the handwritten statements included the initials "GB." In every instance, Gahan wrote both the handwritten statement and the initials. (Exh. 7; v. 1, p. 77, 80, 86, 90, 94, 98, 102, 103, 107,111, 115; Bemis testimony; Gahan testimony.)
100. Mr. Bemis testified at the hearing that he has "\$4.00 in his pocket" and that he supports himself in part by selling household goods at flea markets. (Bemis testimony.)

**D. Beverly and Paul Cantrell**

101. Paul Cantrell was born on September 12, 1928. (*See, e.g.*, Exh. 59A.)
102. Beverly Cantrell was born on January 1, 1931. (*See, e.g.*, Exh. 59A.)
103. Mr. and Mrs. Cantrell reside in Nashua, New Hampshire. (*See, e.g.*, Exh. 59A.)
104. Between May and August 2001, Gahan sold Beverly and Paul Cantrell (or trusts owned by them) 13 annuity contracts issued by Transamerica Life Insurance Company. (Exh. 10; v. 2, p. 2.)

105. In consideration of the sale of the 13 Transamerica annuities to Mr. and Mrs. Cantrell, Transamerica paid Gahan Associates Inc. and Scott Powers commissions totaling \$31, 985.73. (Exh. 11; v. 2, p. 7.)
106. Although the Transamerica commissions were initially split between Gahan Associates and Scott Powers, a side agreement between Gahan and Scott Powers provided that Scott Powers would pay his entire share of the commissions to Gahan personally. Accordingly, Gahan eventually received the entire \$31, 985.73 in commissions on the Cantrells' Transamerica annuities. (Exh. 52; v. 4, p. 82.)
107. In the late 1990s or early 2000s, Gahan was pursued by the United States Internal Revenue Service for failing to pay all or some of the income taxes owed to the Federal government. (Gahan testimony.)
108. In addition to the Transamerica annuities, Gahan also sold the Cantrells two annuity contracts issued by Aviva. (Exh. 15; v. 2, p. 21; Exh. 64.)
109. In August 2005, the Cantrells, at Gahan's direction, replaced all 13 Transamerica annuities with 13 annuities issued by American Equity Investment Life Insurance Company. (Exh. 14; v. 2, p. 15)
110. In consideration of Gahan's sale of the 13 American Equity annuities to the Cantrells, American Equity paid Seniors Financial Strategies, Inc. a total of \$27,450.81. (Exh. 16; v. 2, p. 26.)
111. On or about November 24, 2009, Bennett hand-delivered to the Cantrells certain documents pertaining to the Cantrells American Equity annuities, and discussed the annuities with the Cantrells. Although Bennett was the President of SFS at this time, he was no longer a licensed New Hampshire producer. (Exh. 12; v. 2, p. 10; Exh. 37; v.4, p. 15.)
112. In November 2007, the Cantrells, at Gahan's direction, replaced the Cantrells' two Aviva annuities with two annuities issued by ING USA Annuity and Life Insurance Company. In addition, Gahan sold the Cantrells a third, new annuity issued by ING (Exh. 64.)
113. In consideration of Gahan's sale of the 3 ING annuities to the Cantrells, ING paid Seniors Financial Strategies, Inc. a total of \$18,291.67. (Exh. 17; v. 2, p. 27.)
114. Insurance companies scrutinize replacement business more closely than new business because of the risk of producers "churning" or "twisting" in order to generate commissions for themselves. (Nyhan testimony.)
115. One of the Cantrells' primary investment concerns was having money available to pay for long-term care. (Gahan testimony.)

116. Under a long term care rider to the Cantrells' Transamerica annuity contracts, the Cantrells were allowed to withdraw, penalty free, a high percentage of the funds in their annuities as long as the withdrawals were used to pay for long term care. This long-term care rider would have remained in effect as long as the Cantrells owned the annuities. (Nyhan testimony)
117. However, Mr. Cantrell forfeited the long-term care rider under their Transamerica annuities when Gahan replaced them with American Equity annuities. The long term care rider offered under the American Equity contracts only applied if the annuitant was 75 years old or younger when the annuity was purchased. By August 2005, Mr. Cantrell was 76 years old and therefore did not qualify for the long-term care rider offered under the American Equity contracts. (Nyhan testimony.)
118. The Transamerica annuities paid a higher minimum guaranteed interest rate than the American Equity annuities that replaced them. (Nyhan testimony.)
119. The American Equity annuities carried higher surrender charges than the Transamerica annuities they replaced. (Nyhan testimony.)

## **II. REQUEST FOR RULINGS OF LAW**

120. SFS's and Gahan's misappropriated and converted \$64,895.18 of funds owned by Gilbert Bemis, thereby violating RSA 402-J:12(d, h) and RSA 417:4, I (g, h).
121. Gahan's statement to American Equity that there was a written loan agreement between him and Gilbert Bemis concerning the \$64,895.18 funds he and SFS "borrowed" from Mr. Bemis was false, thereby violating 402-J:12(h).
122. Gahan's act of writing Gilbert Bemis' initials. "GB," on American Equity's Partial Withdrawal Request forms violated RSA 402-J:12(j).
123. The representation of SFS's President, Stephen G. Bennett, to the New Hampshire Insurance Department and also to James and Azora Crose, SFS customers, that Bennett is, or has been, a member of the New Hampshire Bar Association was false and demonstrates untrustworthiness in the conduct of business in New Hampshire and Massachusetts, thereby violating RSA 402-J:12 (h).
124. With respect to the undisclosed replacement of the Soucys' Aviva annuity with an Allianz annuity, Gahan violated RSA 417:4, II by knowingly making false representations on the Allianz annuity Application and Product Suitability Form for the purpose of obtaining a commission.
125. With respect to the undisclosed replacement of the Soucys' Aviva annuity with an Allianz annuity, Gahan also violated Ins 302.04 by failing to make all required

disclosures to the consumers. The violation of Ins 302.04 also constitutes a violation of RSA 402-J:12(b).

126. For several material reasons, including source of the funds, financial needs, health and age, Gahan's and SFS's sale of the \$60,000 Aviva annuity to Henry and Lucille was unsuitable, thereby violating Ins. 301.06(l).
127. For several material reasons, including source of the funds, financial needs, health and age, Gahan's sale of the \$100,000 ABC Viaticals, Inc. life settlement contract to Henry and Lucille was unsuitable, thereby violating Ins 301.06(l).
128. For several material reasons, including financial needs, health and age, Gahan's and SFS's partial replacement of Henry and Lucille Soucy's Aviva annuity with a \$30,000 annuity issued by Allianz was unsuitable, thereby violating Ins 301.06(l).
129. For several material reasons, including source of the funds, financial needs, health and age, Gahan's and SFS's sale of the 5 Aviva annuities to Gilbert and Helen Bemis was unsuitable, thereby violating Ins 301.06(l).
130. For several material reasons, including lower guaranteed interest rates, financial needs, health and age, Gahan's and SFS's partial replacement of Gilbert and Helen Bemis' Aviva annuities with 3 annuities issued by American Equity was unsuitable, thereby violating Ins 301.06(l).
131. For several material reasons, including lower guaranteed interest rates, financial needs, health and age, as well as the Paul Cantrell's forfeiture of a long term care rider, Gahan's and SFS's partial replacement of Beverly and Paul Cantrell's 13 Transamerica annuities with 13 annuities issued by American Equity was unsuitable, thereby violating Ins 301.06(l).

### **III. REQUEST FOR RELIEF**

The New Hampshire Insurance Department respectfully requests that the Hearing Officer:

- A. Grant each of the foregoing Requests for Findings of Fact and Rulings of Law;
- B. Order, pursuant RSA 417:10, 402-J:12, I and RSA 400-A:15, III, that the New Hampshire producer licenses of Gary A, Gahan and Seniors Financial Strategies, Inc. be revoked;
- C. Order, pursuant RSA 417:10, 402-J:12, I and RSA 400-A:15, III, that Gary A. Gahan pay an administrative penalty of \$77,500.00 within ten (10) days of the Commissioner's issuance of a final order. (This penalty may be itemized as follows: (1) \$2,500 for misappropriation

and conversion of Gilbert Bemis' \$64,895.18 ; (2) \$2,500 for false statement to American Equity regarding existence of written agreement between Gahan and Mr. Bemis; (3) \$7,500—3 instances times \$2,500—for forging Mr. Bemis' initials on American Equity Partial Withdrawal Request form; (4) \$2,500 for making false representations on Soucys' Allianz annuity Application and Product Suitability Form; (5) \$2,500 for failing to provide the Soucys with disclosures required by Ins 302.04 where an one annuity is replaced by another; (6) \$2,500 for selling an Aviva annuity to the Soucys in violation of Ins 301.06(1); (7) \$2,500 for selling an ABC Viaticals, Inc. life settlement contract to the Soucys in violation of Ins 301.06(1); (8) \$2,500 for replacing the Soucys' Aviva with an Allianz annuity in violation of Ins 301.06(1); (9) \$12,500 (5 times \$2,500) for selling 5 Aviva annuities to the Bemises in violation of Ins 301.06(1); (10) \$7,500 (3 times \$2,500) for replacing the Bemises Aviva annuities with 3 American Equity annuities in violation of Ins 301.06(1); and (11) \$32,500 (13 times \$2,500) for replacing the Cantrells' 13 Transamerica annuities with 13 American Equity annuities in violation of Ins 301.06(1); and

- D. Order, pursuant RSA 417:10, 402-J:12, I and RSA 400-A:15, III, that Seniors Financial Strategies, Inc. pay an administrative penalty of \$62,500.00 within ten (10) days of the Commissioner's issuance of a final order. (This penalty may be itemized as follows: (1) \$2,500 for misappropriation and conversion of Gilbert Bemis' \$64,895.18 ; (2) \$2,500 for the false representation made by the President of SFS to the NHID regarding his membership in the New Hampshire Bar Association; (3) \$2,500 for selling an Aviva annuity to the Soucys in violation of Ins 301.06(1); (4) \$2,500 for replacing the Soucys' Aviva with an Allianz annuity in violation of Ins 301.06(1); (5) \$12,500 (5 times \$2,500) for selling 5 Aviva annuities to the Bemises in violation of Ins 301.06(1); (6) \$7,500 (3 times \$2,500) for replacing the Bemises Aviva annuities with 3 American Equity annuities in violation of Ins 301.06(1); and (7) \$32,500 (13 times \$2,500) for replacing the Cantrells' 13 Transamerica annuities with 13 American Equity annuities in violation of Ins 301.06(1).

Respectfully submitted,

Date: September 29, 2010

  
Richard P. McCaffrey  
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Concord, NH 03301  
(603)271-2261

### CERTIFICATE OF SERVICE

The undersigned certifies that a true and accurate copy of the foregoing Request for Findings of Fact and Rulings of Law was sent this date electronically and by first-class mail, postage prepaid, to Gary A. Gahan and Seniors Financial Strategies, Inc. (c/o Stephen G. Bennett).

Date: September 29, 2010

  
Richard P. McCaffrey