

STATE OF NEW HAMPSHIRE

INSURANCE DEPARTMENT

In re: Joseph M. Jones

Docket No.: INS No. 16-014-EP

ORDER TO SHOW CAUSE

AND

NOTICE OF HEARING

The New Hampshire Insurance Department (“NHID”) orders Joseph M. Jones (“Respondent”) to show cause why the New Hampshire Insurance Commissioner should not suspend or revoke his New Hampshire insurance producer license, or levy an administrative fine, or both. In support of the Order to Show Cause and pursuant to RSA 541-A:31, RSA 400-A:17 and Ins Part 200, the NHID states as follows:

STATEMENT OF FACTS

1. The Respondent is a resident New Hampshire insurance producer licensed to sell Accident and Health, Life, Property and Casualty, and Variable Contracts.
2. Beginning in April of 2001 until his termination on March 25, 2014, the Respondent was employed by Advisory Group Equity Services (“AGES”) located at 444 Washington Street, Suite 407, Woburn, MA 01801.
3. On February 7, 2014 the Respondent assisted client Kyle Hope (DOB: 3/16/1992) with purchasing a Variable Beneficiary Annuity through Prudential. The funds for the annuity came from the proceeds of Mr. Hope’s recently deceased mother’s estate.

4. On March 17, 2014, the Respondent called the Prudential Annuity Services impersonating Mr. Hope in an attempt to withdraw funds from annuity account. Unable to complete the transaction over the phone, the Respondent was directed to submit a form which was emailed to the email address he provided, otterman12@hotmail.com.
5. Noting that the caller sounded older than one might expect a the twenty-year old like Mr. Hope to sound, and further that the call originated from the phone number associated with Joseph Jones, the matter was referred to Prudential's Corporate Investigations Division (CID).
6. On March 21, 2014, the Respondent again called Prudential Annuity Services, this time identifying himself as Joseph Jones, in an attempt to elicit information regarding Prudential's corporate investigation into Mr. Hope's account.
7. Both the March 17, 2014 and the March 21, 2014 calls were audio recorded. A voice comparison between these two calls clearly establishes that they were made by the same individual.
8. On March 24, 2014 the CID contacted William McCance, Chief Compliance Officer at AGES and allowed him to listen to the March 17th recording. Mr. McCance positively identified the voice on the call as belonging to the Respondent.
9. On March 25, 2014 the Respondent was terminated from AGES for unethical practices based upon him impersonating a client and for denying the accusations when confronted by Mr. McCance.
10. Prudential's corporate investigation was subsequently referred to the Financial Industry Regulatory Authority (FINRA).

11. On November 7, 2014, FINRA took administrative action against the Respondent in the form of a Letter of Acceptance, Waiver and Consent (“AWC”) based upon the information provided above. As a result of the AWC the Respondent was suspended from associating with any FINRA members for 30 days and fined five thousand dollars (\$5000).
12. RSA 402-J:17, I requires that “[a] producer shall report to the commissioner any administrative action taken against the producer in another jurisdiction or by another governmental agency in this state within 30 days of the final disposition of the matter. This report shall include a copy of the order, consent to order, or other relevant legal documents.”
13. The Respondent did not provide a copy of the FINRA AWC or otherwise notify the NHID of its administrative action within 30 days as required by RSA 402-J:17, I.

STATEMENT OF ISSUES

14. Whether the Respondent violated RSA 402-J:12, I, (h) by impersonating a client on a telephone call placed to Prudential Annuity Services on March 17, 2014.
15. Whether the Respondent violated RSA 402-J:17, I by failing to report to the NHID the November 7, 2014 AWC entered into with FINRA within 30 days as required.
16. The NHID reserves the right to amend this statement of issues upon reasonable notice to the Commissioner (or his designated Representative) and the Respondent.

NEW HAMPSHIRE INSURANCE LAWS VIOLATED BY RESPONDENT

17. The NHID maintains the Respondent violated the following New Hampshire insurance law statutes: and RSA 402-J:12, I (h); RSA 402-J:17, I; and RSA 402-J:12, I (b).

18. The NHID reserves the right to amend this list of insurance laws violated by the Respondent upon reasonable notice to the Commissioner (or his designated Representative) and the Respondent.

PENALTY REQUESTED

19. In the event the Hearing Officer determines after evidentiary hearing that the NHID sustained its burden of proof with respect to the allegations of fact and violations of law outlined above, the NHID requests that the Hearing Officer impose the following sanctions on the Respondent:

- a. Order suspension or revocation of the Respondent's New Hampshire insurance producer license; and
- b. Order the Respondent to pay a fine in the amount of \$2,500 per violation, for a total fine of \$7,500.

NOTICE OF HEARING

A. Pursuant to RSA 541-A:31 and Ins Part 200, the hearing in this matter shall commence on June 7, 2016 at 9:00 a.m. at the offices of the Department, which are located at 21 South Fruit Street, Suite 14 in Concord, New Hampshire.

B. The Commissioner or his designated Representative shall preside as the Hearing Officer in this matter. Sarah Prescott shall serve as clerk to the Hearing Officer. The parties should direct all communications to Ms. Prescott, whose contact information is:

Sarah Prescott, Clerk
New Hampshire Insurance Department
21 South Fruit Street, Suite 14
Concord, NH 03301
Tel: (603) 271-2261

Fax: (603)271-1406
Email: sarah.prescott@ins.nh.gov

C. The Respondent has the right to be represented by a lawyer in this proceeding. However, the Respondent shall bear the cost of retaining said lawyer. Should the Respondent elect to retain a lawyer, his lawyer shall file a Notice of Appearance with Ms. Prescott, and said lawyer should do so at the earliest possible date. A copy of the Department's Notice of Appearance is enclosed with this Order.

D. Any party may request a transcript of the proceeding. The party requesting a transcript of the proceedings shall file a written request for a certified court reporter with the Hearing Officer at least 10 days prior to the scheduled hearing date. The costs incurred for the services of a certified court reporter shall be borne by the requesting party.

E. Richard P. McCaffrey, Esq. and Mary C. Bleier, Esq. shall serve as staff advocates representing the interests of the NHID.

It is **SO ORDERED**.

NEW HAMPSHIRE INSURANCE DEPARTMENT

Date: 3-31-16

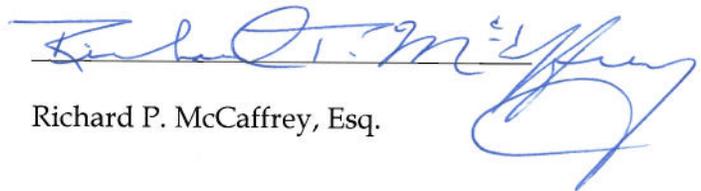


Roger A. Sevigny, Insurance Commissioner

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and accurate copy of the foregoing Order to Show Cause and Notice of Hearing was sent this date by first-class mail, postage prepaid, and by certified mail, return receipt requested, to Joseph M. Jones, PO Box 609 Hampton Falls, NH 03844, this being his mailing address on file with the Department.

Date: 4/1/16


Richard P. McCaffrey, Esq.