

**STATE OF NEW HAMPSHIRE  
INSURANCE DEPARTMENT**

**In re: Ryan S. Carr**

**Docket No.: INS No. 15-052-EP**

**ORDER TO SHOW CAUSE  
AND  
NOTICE OF HEARING**

The New Hampshire Insurance Department (“NHID”) orders Ryan S. Carr (“Respondent”) to show cause why the New Hampshire Insurance Commissioner should not revoke his New Hampshire insurance producer license and levy an administrative fine in the maximum amount allowed by law. 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:

**I. STATEMENT OF FACTS**

**A. The Respondent**

The Respondent is a resident New Hampshire insurance producer licensed to sell Life, Accident and Health insurance in New Hampshire. At all relevant times, the Respondent was also a non-resident Pennsylvania insurance producer.

On or about December 31, 2012, American Equity Investment Life Insurance Company (American Equity) appointed the Respondent as its producer, thereby authorizing him to sell American Equity insurance products on its behalf.

**B. The Flora T. Transaction**

Flora T. (Dr. Flora) is a seventy-five year old physician domiciled in Everett, Pennsylvania. She was originally introduced to the Respondent by her daughter, Renee T.

(Renee), in connection with a noninsurance-related business enterprise in Braintree, Massachusetts involving, among others, Renee and the Respondent.

On February 19, 2014, the Respondent faxed to Dr. Flora an application for an American Equity annuity. The application had been completed and signed by the Respondent, and it stated that the amount of the annuity was \$40,000.

After Dr. Flora received the annuity application, she signed it, and, in accordance with the Respondent's instructions, returned it to him, along with a check made payable to "Ryan Carr" in the amount of \$40,000. The Respondent subsequently endorsed this check and deposited it into his personal bank account.

At this point—that is, March of 2014—Dr. Flora believed she had purchased a \$40,000 American Equity annuity. However, when more than a year passed and she had not received any statements or other documentation from the Respondent or American Equity concerning her annuity, Dr. Flora contacted the Respondent to ascertain the status of her annuity. Initially the Respondent responded to Dr. Flora's inquiries with vague assurances that he would send her the annual statement when he was "back in the office." However, the Respondent never forwarded the promised statements to Dr. Flora and eventually he simply ignored Dr. Flora's inquiries altogether.

On August 27, 2015, Dr. Flora contacted American Equity directly to ascertain the status of her annuity. American Equity advised Dr. Flora that: 1) it had no record of her application; 2) it had no record of her \$40,000 payment; and 3) the company had never issued her any annuity contract in any amount. Alarmed, American Equity initiated its own internal investigation into Dr. Flora's consumer inquiry. In a recorded conversation with a company service administrator, the Respondent indicated that no annuity product was ever purchased by Dr. Flora and the

\$40,000 was in fact payment for noninsurance-related business services he rendered to Dr. Flora and her family. When the Respondent failed to cooperate further with American Equity's investigation, the company terminated his appointment "For Cause," effective September 9, 2015.

In addition to terminating the Respondent's appointment, American Equity also alerted the NHID's Enforcement Division and Fraud Investigation Unit to the Respondent's possible violations of New Hampshire insurance and criminal laws.

On December 3, 2015, the NHID Fraud Investigation Unit interviewed the Respondent. The interview can be divided into two segments. During the first, much longer segment, the Respondent continued to maintain that the \$40,000 check he cashed from Dr. Flora was payment for noninsurance-related business services he had rendered to Dr. Flora and her family, and that Dr. Flora was mistaken in her belief that the money was intended to fund an annuity. It appeared the interview had ended there, and the Respondent left the NHID's offices. However, a few minutes later the Respondent returned, and during this second segment of the interview, the Respondent admitted knowing that the \$40,000 check he had received from Dr. Flora was intended to fund an annuity and, further, that he had misappropriated Dr. Flora's money for his personal use.

By email correspondence dated December 16, 2015, the NHID Enforcement Division, pursuant to RSA 400-A:16, directed the Respondent to provide the NHID with certain documents relevant to its investigation into the Respondent's apparent misappropriation of Dr. Flora's money. The Respondent never complied with the NHID's request for information.

**C. The Respondent's Bankruptcies**

On or about July 8, 2009, the Respondent and his spouse filed for Chapter 7 bankruptcy in the United States Bankruptcy Court for the District of New Hampshire. (This was only two months after the Respondent initially obtained his resident New Hampshire insurance producer license.) The United States Bankruptcy Court granted the Respondent and his spouse a discharge of their debts by order dated December 17, 2009. The Respondent's Voluntary Petition for Chapter 7 bankruptcy showed total assets of \$10,995 against total liabilities of \$224,886.

More recently—specifically, on or about January 5, 2016—the Respondent filed a Voluntary Petition for Chapter 13 Bankruptcy, again in the United States Bankruptcy Court for the District of New Hampshire. The Respondent's Official Form 106Sum discloses total assets of \$349,350 against total liabilities of \$460,738. Additionally, by an Objection dated February 12, 2016, the New Hampshire Department of Revenue Administration advised the Bankruptcy Court that the Respondent owes the State of New Hampshire \$14,263.03 for taxes, interest and penalties.

**II. STATEMENT OF ISSUES**

1. Whether the Respondent improperly withheld, misappropriated, or converted any moneys in the course of doing insurance business.
2. Whether the Respondent demonstrated untrustworthiness or used dishonesty or both in the conduct of business in New Hampshire or elsewhere.
3. Whether the Respondent has admitted or been found to have committed any insurance unfair trade practice or fraud.
4. Whether the Respondent demonstrated financial irresponsibility incompetence in the conduct of business in New Hampshire or elsewhere.

5. .Whether the Respondent may be deemed guilty of embezzlement.
6. Whether the Respondent failed to respond to a request for information and documents made by the NHID.
7. Whether the Respondent owed to Dr. Flora a fiduciary duty and did breach that duty.

The NHID reserves the right to amend this statement of issues upon reasonable notice to the Commissioner (or his designated Representative) and the Respondent.

### **III. NEW HAMPSHIRE INSURANCE LAWS VIOLATED BY RESPONDENT**

The NHID maintains the Respondent violated the following New Hampshire insurance law statutes: RSA 402-J:12, I (b); RSA 402-J:12, I (d); RSA 402-J:12, I (g); and RSA 402-J:12, I (h), RSA 402:53; RSA 400-A:16; RSA 417:4, I (f); RSA 417:4, I (h); and Ins 4301.03 (c).

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.

### **IV. PENALTY REQUESTED**

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. Pursuant to RSA 402-J:12, I and RSA 400-A:15, III, order the permanent revocation of the Respondent's New Hampshire insurance producer license; and
- b. Pursuant to RSA 402-J:12, I and RSA 400-A:15, III, order the Respondent to pay a fine in the amount of \$2500 per violation found at hearing.

V. **NOTICE OF HEARING**

- A. Pursuant to RSA 541-A:31 and Ins Part 200, the hearing in this matter shall commence on May 3, 2016 at 9:00 a.m. at the offices of the New Hampshire Insurance Department, 21 South Fruit Street, Suite 14, Concord, New Hampshire.
- B. James Fox, Esq. shall preside as the Hearing Officer in this matter.
- C. Sarah Prescott shall serve as clerk to the Hearing Officer. The parties should direct all communications to Ms. Prescott, whose contact information is:

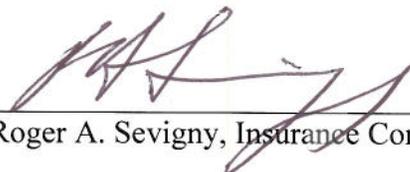
Sarah Prescott, Clerk  
New Hampshire Insurance Department  
21 South Fruit Street, Suite 14  
Concord, NH 03301  
Tel: (603) 271-2261  
Fax: (603)271-1406  
Email: sarah.prescott@ins.nh.gov

- D. 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 NHID's Notice of Appearance form is enclosed with this Order.
- E. 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.
- F. 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

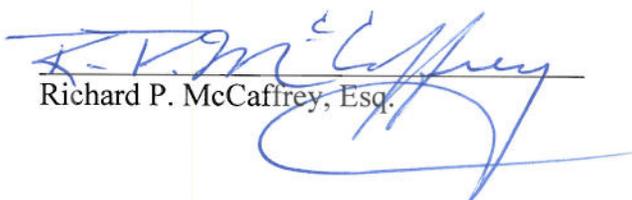
Date: 3-24-16

  
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Roger A. Seigny, 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 Ryan S. Carr, 134 Range Road, Windham, NH this being his mailing address on file with the Department.

Date: 3/25/2016

  
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Richard P. McCaffrey, Esq.