

BEFORE THE IOWA INSURANCE COMMISSIONER

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IN THE MATTER OF )

JAMES J. ELLIS )

National Producer Number: 6868966 )

**ORDER OF SUMMARY  
SUSPENSION and NOTICE OF  
OPPORTUNITY FOR HEARING**

Division File No.: 76549

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Pursuant to Iowa Code § 522B.16B and IAC 191-3.31 and 191-13.8(3) and (4), this matter comes before the Commissioner of Insurance upon an application by the Iowa Insurance Division for an Order of Summary Suspension of the insurance producer license of James J. Ellis.

**I. PARTIES AND JURISDICTION**

1. The Commissioner of Insurance, Susan Voss, pursuant to Iowa Code § 505.8 (2011), administers the Iowa Licensing of Insurance Producers Act – Chapter 522B.
2. James J. Ellis ("Ellis") is an individual who has a last known home and business mailing address of 2221 Stanton Avenue #43, Des Moines, IA 50321.
3. Ellis was licensed as an insurance producer license from April 2, 2008 until May 2, 2011 when his license expired. Ellis' insurance producer license was reinstated on May 19, 2011 and he is currently licensed as an insurance producer.
4. Ellis has engaged in acts or practices within the state of Iowa constituting violations of Iowa Code Chapter 522B and/or any rule or order adopted or issued pursuant to Iowa Code Chapter 522B.

## II. FACTUAL BACKGROUND

5. On April 2, 2008, Ellis was granted a "Consent to Work in the Business of Insurance" (the "Consent"), pursuant to 18 U.S.C. § 1033(e)(2) and Iowa Code § 522B.16B. The consent to work in the business of insurance is required from the commissioner of insurance for any individual who has been convicted of a felony offense involving dishonesty or a breach of trust to be licensed as an insurance producer. The Consent was conditioned upon Ellis meeting certain conditions. Specifically, the Consent stated, in part, that:

(c) This consent is conditioned upon the Applicant's continued good behavior. If the Applicant is at any time charged with violating an administrative regulation related to the business of insurance, or **if the Applicant is charged with violating a criminal statute**, the Applicant and the Employer have an affirmative duty to notify the Division. After such notification, the Division may, based on the circumstances surrounding the violation, withdraw this consent.

The affirmative duty of the Applicant and the Employer to notify the Division of changes in the above-listed conditions shall only be legally sufficient if made **in writing to the Division within thirty (30) days of the occurrence of such changes**. If such notification is not made to the Division or if the notification is made in an untimely fashion the Division, upon discovery of such changes, may withdraw this consent to work in the insurance industry.

(emphasis added).

6. Iowa Code § 522B.16 also requires that "[w]ithin thirty days of the initial pretrial hearing date, an insurance producer shall report to the commissioner any criminal prosecution of the insurance producer taken in any jurisdiction. The report shall include a copy of the initial complaint filed, the order resulting from the hearing, and any other relevant legal documents."

7. A review of the Iowa Courts Online website was recently made and the following criminal charges were found in Ellis' record.

- a. On May 2, 2011, Ellis was charged with Willful Injury – Causing Serious Injury, a felony. On February 15, 2012, the charge was dismissed.
- b. On August 13, 2011, Ellis was arrested and charged with Assault with a Deadly Weapon. Ellis was later allowed to plead guilty to reckless driving.
- c. On November 10, 2011, Ellis was arrested and charged with contempt of court, for violating a no contact or protective order. This charge was later dismissed.
- d. On January 11, 2012, Ellis was charged with Possession of a Controlled Substance – 2<sup>nd</sup> offense.
- e. On March 18, 2012, Ellis was charged with Domestic Abuse Assault with Intent or Displays a Weapon. This charge is an Aggravated Misdemeanor.
8. To date, Ellis has not filed any written notice with the Division required by the Consent or required by Iowa Code § 522B.16 to report the criminal charges against him.
9. On September 8, 2011, Ellis entered into an Order and Consent to Order regarding the Division's allegation that Ellis had wrote bonds when he was not properly licensed to do so. Ellis did not inform the Division's attorney, John Leonhart, either verbally or in writing concerning the criminal charges against him.

#### **VIOLATIONS OF LAW**

10. The Division realleges and incorporates by reference paragraphs 1 - 9 above as if fully set forth herein.
11. IAC 191-13.8(3) states if the commissioner determines that a prohibited person has violated the terms of a consent, the commissioner shall immediately terminate the

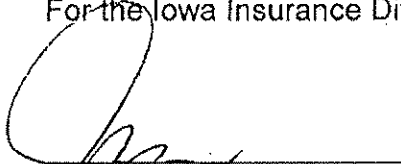
consent. The prohibited person shall have 30 days to request a hearing with the commissioner.

12. Ellis' actions in failing to report several criminal charges against him to the Division indicates that it is in the public interest and for the protection of consumers that Ellis not be allowed to continue working in the insurance business as a licensed insurance producer in the state of Iowa. Therefore, the administrator is summarily suspending his insurance producer license in the state of Iowa pursuant to Iowa Code § 522.16B (2011) and IAC 191-13.8(3).

THEREFORE, IT IS ORDERED THAT:

- A. The Iowa insurance producer license of Ellis is suspended immediately;
- B. Ellis shall immediately cease and desist from engaging in any act, practice, or course of business constituting a violation of Iowa Code chapter 522B and its rules;
- C. The failure of Ellis to request a hearing within 30 days of the date of this Order of Summarily Suspension shall be deemed to be a waiver of the right to a hearing and result in the entry of an Order of Revocation of Insurance Producer License.

For the Iowa Insurance Division,



James Mumford  
First Deputy Commissioner of Insurance

4/16/2012  
Date

**NOTICE OF RIGHT TO REQUEST HEARING**

NOTICE IS HEREBY GIVEN that Ellis or any individual representing Ellis may request a hearing in this matter. This request must be in writing and must be filed within thirty (30) calendar days of the date of this Order with Robert Koppin, Enforcement Bureau Chief, Iowa Insurance Division, 330 Maple Street, Des Moines, Iowa 50319. A notice of the hearing shall be prepared and shall be given at least fifteen (15) days before the date of the hearing unless the parties agree to an earlier date. The hearing shall be held within forty-five (45) days after the date of the notice of the hearing unless extended by the presiding officer for good cause with at least fifteen days notice to the parties. The resulting hearing will be held in accordance with Iowa Code Chapter 17A (2011).

**NOTICE REGARDING FAILURE TO REQUEST A HEARING**

If you fail to request a hearing within thirty (30) days of the date of this Order of Summary Suspension, the Order shall be a final Order of the Commissioner of Insurance and shall be enforceable by the Commissioner of Insurance in an administrative or court proceeding.

**NOTICE REGARDING EXHAUSTION OF ADMINISTRATIVE REMEDIES AND RIGHT TO SEEK JUDICIAL REVIEW**

The failure to request a hearing can constitute a failure to exhaust your administrative remedies and limit the issues subject to judicial review. You may seek judicial review of

this Order pursuant to Iowa Code chapter 17A after the Order becomes final. The Order becomes final thirty (30) days after it is issued if you do not timely request a contested case hearing, or following hearing if you do timely request a contested case hearing.

**NOTICE OF PENALTIES FOR WILLFUL VIOLATION OF THIS ORDER**

YOU ARE NOTIFIED that any person who willfully violates this order shall be deemed in contempt of the order pursuant to Iowa Code § 522B.2 (2011) and shall be subject to the penalties provided in Iowa Code § 522B.17 pursuant to IAC 191-13.10. The commissioner may petition the district court to hold a hearing to enforce the order as certified by the commissioner. The district court may assess a civil penalty against the person in an amount between \$3,000 and \$10,000 per violation and may issue further orders as it deems appropriate.

SENT BY RESTRICTED CERTIFIED MAIL TO:

James J. Ellis  
2221 Stanton Avenue #43  
Des Moines, Iowa 50321