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FEB 08 2017

COMMISSION OF INSURANCE
INSURANCE DIVISION OF IOWA

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF)	Division Case No. 93392
)	
STEVEN A. OLEJNICZAK,)	ORDER AND CONSENT TO ORDER
CRD# 6023114,)	
NPN 16635929,)	
DOB 05/24/XXXX,)	
)	
Respondent)	

NOW THEREFORE, upon motion of the Iowa Insurance Division (“Division”) and consent of Respondent Steven A. Olejniczak, pursuant to the provisions of Iowa Code Chapter 502—the Iowa Uniform Securities Act and Iowa Code Chapter 522B—Licensing of Insurance Producers, the Commissioner enters the following consent order:

I. PARTIES AND JURISDICTION

1. The Commissioner of Insurance, Doug Ommen, administers Iowa Code Chapter 502—the Iowa Uniform Securities Act and Iowa Code Chapter 522B—Licensing of Insurance Producers. Commissioner Ommen has designated Rosanne Mead as Securities Administrator (“Administrator”) to administer Iowa Code Chapter 502—the Iowa Uniform Securities Act, through the Securities Bureau of the Division. Commissioner Ommen has designated the Division to seek enforcement of Iowa Code Chapter 502—the Iowa Uniform Securities Act, Iowa Code Chapter 507B—Insurance Trade Practices, and Iowa Code Chapter 522B—Licensing of Insurance Producers.
2. Steven A. Olejniczak (“Respondent”) is an individual with a last-known residence address of 7351 NW 100th Street, Grimes, Iowa 50111.
3. Respondent was registered as a securities agent in Iowa from March 27, 2012 to May 23, 2016 and registered as an investment adviser representative in Iowa from May 21, 2012 to May

23, 2016. Respondent was registered under Central Registration Depository (“CRD”) number 6023114.

4. Respondent is and has been licensed as a resident insurance producer in Iowa since May 8, 2012. Respondent is licensed under National Producer Number 16635929.

5. From about late January 2016 to on or about May 17, 2016 Respondent has engaged in acts and practices within the state of Iowa constituting cause for a cease and desist order; denial, revocation, suspension, withdrawal, restriction, condition, or limitation of his securities agent and investment adviser representative registrations; and other relief under Iowa Code Chapter 502 and Iowa Administrative Code Chapter 50.

6. From about late January 2016 to on or about May 17, 2016 Respondent has engaged in acts and practices within the state of Iowa constituting cause for a cease and desist order; probation, suspension, or revocation of Respondent’s insurance producer license; the payment of civil penalties; and other relief under Iowa Code Chapters 507B and 522B and Iowa Administrative Code Chapter 15.

7. Respondent voluntarily consents to the entry of this Order and admits that the Division has personal jurisdiction over Respondent and subject matter jurisdiction over this matter.

II. FINDINGS OF FACT

8. Respondent became a registered securities agent in Iowa on March 27, 2012 by submitting a Form U4 through the CRD of the Financial Industry Regulatory Authority (“FINRA”). Respondent became a registered investment adviser representative in Iowa on May 21, 2012 by filing a Form U4 through CRD. At the time of registration, Respondent was employed by his registered broker-dealer and investment adviser, Edward Jones. Respondent was assigned CRD Number 6023114. In applying for his securities agent and investment adviser

registrations, Respondent irrevocably appointed the Administrator as his agent for service of process.

9. Respondent applied for a resident insurance producer license with the Division by submitting through the National Insurance Producer Registry a Uniform Application for Individual Producer License (“Uniform Application”) on May 8, 2012. Respondent became licensed on May 8, 2012 and was assigned National Producer Number (“NPN”) 16635929. In submitting the Uniform Application, Respondent designated the Commissioner as an agent for service of process.

10. Prior to January 23, 2016 and until Respondent’s termination by Edward Jones on or about May 12, 2016, Respondent acted as a securities agent and investment adviser representative for a client hereinafter referred to as “Client.” Respondent and Client are unrelated and have never had any familial relation.

11. On or about January 23, 2016, Client suffered a slight stroke, and Respondent took Client to the hospital.

12. On February 5, 2016, while Client was recovering in a care facility, Client signed a Transfer on Death Beneficiary Form (“TOD Form”) naming Respondent as a beneficiary of Client’s transfer-on-death investment account (“TOD”). Respondent was aware that he had been named as a beneficiary in Client’s TOD Form and subsequently faxed that TOD Form to Edward Jones’ corporate office for processing. The TOD Form was processed and Respondent was designated beneficiary on Client’s TOD account.

13. After Respondent learned that he was not allowed to be named as a beneficiary of an unrelated customer’s TOD account, Respondent informed Client that he could no longer be named as a beneficiary of Client’s TOD account.

14. On or about March 22, 2016, Client executed a TOD Form for his TOD account naming Respondent's spouse as a beneficiary of the account. This new beneficiary designation form revoked all prior designation forms.
15. Respondent's spouse is also unrelated to Client and has no familial relationship to Client.
16. On or about May 9, 2016, Edward Jones was informed by a third party that Respondent had been named as a beneficiary of Client's TOD account.
17. On or about May 12, 2016, Edward Jones terminated Respondent's employment for his failure to report to Edward Jones that he was named as a beneficiary of an unrelated client's TOD account.
18. On or about May 17, 2016 Client executed paperwork revoking all previous TOD Forms related to his Edward Jones account, including those naming Respondent and Respondent's spouse as beneficiary.
19. On May 23, 2016 Edward Jones filed a Uniform Termination Notice for Securities Industry Registration Form U5, terminating Respondent's relationship with Edward Jones and, therefore, terminating Respondent's securities agent and investment adviser representative registrations.
20. On October 18, 2016, the Division mailed to Respondent a letter requesting information from Respondent regarding his termination and Client's TOD beneficiary designations.
21. On October 26, 2016, the Division received a letter from Respondent in which Respondent admitted that he knowingly accepted being named as a beneficiary of the unrelated client's TOD account.
22. Had Client passed away while Respondent or Respondent's spouse was named as beneficiary, Respondent or his spouse stood to gain approximately \$1 million.

III. CONCLUSIONS OF LAW

COUNT ONE

Fraudulent, Deceptive, or Manipulative Conduct and Dishonest or Unethical Practices in the Securities Business

23. Iowa Code § 502.502(1)(a) prohibits fraud in providing investment advice and employing any device, scheme, or artifice to defraud another person. Iowa Code § 502.502(2) provides that rules may be adopted defining fraudulent acts, practices, or courses of business of investment adviser representatives.

24. 191 Iowa Administrative Code 50.38(1)(r) prohibits an investment adviser representative from engaging in fraudulent, deceptive, manipulative, or unethical conduct.

25. Iowa Code § 502.412(4)(m) prohibits a securities agent or investment adviser representative from engaging in dishonest or unethical practices in the securities business.

26. 191 Iowa Administrative Code 50.16(2)(f) and 50.38(1)(u) prohibit securities agents and investment advisers from soliciting or accepting gifts from unrelated clients or customers, directly or indirectly, that in the aggregate exceed \$250 in a calendar year. Those paragraphs also include in the aggregate limit gifts accepted by immediate family members of unrelated clients and provide that securities agents and investment advisers may not solicit or accept gifts transferred through relatives or third parties to the benefit of the securities agent or investment adviser that would have the effect of evading those paragraphs.

27. Respondent engaged in fraudulent, deceptive, manipulative, or unethical conduct by accepting being named as beneficiary in unrelated Client's TOD account and accepting having Respondent's spouse named as beneficiary in Client's TOD account.

28. Respondent accepted a gift exceeding \$250 in a calendar year by accepting being named and accepting Respondent's spouse being named as a beneficiary of an unrelated client's TOD account in violation of Iowa Code § 502.502 and Iowa Administrative Code rule 191—50.38.

29. Respondent accepted being named as a beneficiary of an unrelated client's TOD account and accepted having Respondent's spouse named as beneficiary on Client's TOD account, both of which are unethical practices in the securities business under Iowa Code 502.412(4)(m) and Iowa Administrative Code 191—50.16

30. Respondent's acts and practices have been in violation of Iowa Code §§ 502.412, 502.502, Iowa Administrative Code rule 191—50.16, and Iowa Administrative Code rule 191—50.38 subjecting Respondent to restriction, condition, limitation, revocation, or suspension of Respondent's securities agent and investment adviser representative registrations, the imposition of a civil penalty, and the issuance of an order to cease and desist engaging in such acts and practices pursuant to Iowa Code §§ 502.412 and 502.604.

COUNT TWO

Using Fraudulent and Dishonest Practices, and Demonstrating Untrustworthiness in the Conduct of Business in this State

31. Iowa Code § 522B.11(2)(h) prohibits an insurance producer from "using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere."

32. Respondent used fraudulent and dishonest practices, and demonstrated untrustworthiness in the conduct of business in this state by accepting designation as a beneficiary on unrelated Client's TOD account and by accepting Respondent's spouse being named as beneficiary on Client's TOD account.

33. Respondent's acts and practices have been in violation of Iowa Code § 522B.11(2)(h) subjecting Respondent to the imposition of probation, suspension, or revocation of Respondent's insurance producer license; the imposition of a civil penalty; and the issuance of an order to cease and desist engaging in such acts and practices in accordance with § 522B.17.

IV. ORDER

WHEREFORE, IT IS ORDERED pursuant to the powers granted the Commissioner of Insurance by Iowa Code Chapters 502 and 522B:

A. Respondent shall immediately cease and desist from accepting gifts of being named, or having an immediate family member named, as a beneficiary of any unrelated client's transfer on death account;

B. Respondent's registration as an Iowa securities agent is suspended for six months from the date of this Order;

C. Respondent's registration as an Iowa investment adviser representative is suspended for six months from the date of this Order;

D. Respondent's Iowa resident insurance producer license is suspended for six months from the date of this Order;

E. Nothing contained in this Order shall in any way limit the rights of the Division to institute administrative or legal action against Respondent for any other past or future conduct in violation of Iowa laws or regulations; and

F. Respondent shall not be eligible to have his insurance producer license reinstated, reissued, renewed, or to have a new license issued until each of the following has occurred:

1. Respondent finds an insurance company willing to agree to appoint and supervise Respondent as a producer for its company, such company submits a

written acknowledgement to the Division that it has read and understood this Order, and such company submits a written explanation to the Division of its policies and procedures for how it will supervise Respondent;

2. Respondent makes the appropriate Application for Reinstatement or Reissuance, which is approved by the Commissioner or his designee;
3. Respondent pays all applicable fees; and
4. Respondent complies with all other insurance statutes or regulations.

SO ORDERED on the 8th day of February, 2017.



Douglas M. Ommen
Iowa Insurance Commissioner

Submitted by:



Dustin J. DeGroot
Compliance Attorney

2/7/17
Date

Copies to:

Steven A. Olejniczak
7351 NW 100th Street
Grimes, Iowa 50111

NOTICE OF PENALTIES FOR WILLFUL VIOLATION OF THIS ORDER

YOU ARE NOTIFIED that acting as an insurance producer, as defined in Iowa Code Chapter 522B, without proper licensure, is a felony under Iowa Code § 507A.10, subjecting you to punishment of imprisonment, jail, fines, or any combination of custody and fines.

YOU ARE NOTIFIED that acting as a broker-dealer, securities agent, investment adviser, or investment-adviser representative, as defined in Iowa Code Chapter 502, without proper registration, is a felony under Iowa Code § 502.508, subjecting you to punishment of imprisonment, jail, fines, or any combination of custody and fines.

YOU ARE NOTIFIED that if you violate this order, you may be subject to civil penalties pursuant to Iowa Code §§ 502.604(5A) and 522B.17(3). The Commissioner may petition the district court to hold a hearing to enforce the order as certified by the commissioner pursuant to Iowa Code §§ 502.604(7) and 522B.17(3).

NOTICE REGARDING REINSTATEMENT OR REISSUANCE

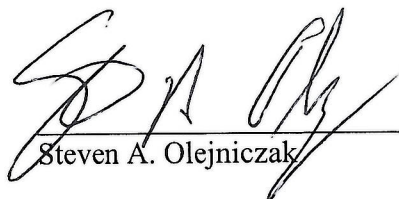
A producer's license which has been revoked or suspended by order is not active until the producer has applied for and been granted reinstatement or reissuance pursuant to Iowa Administrative Code 191—10.10.

CONSENT TO ORDER AND AGREEMENT

I, Steven A. Olejniczak, Respondent in this matter, have read, understood, and do knowingly consent to this Order in its entirety. By executing this consent, I understand that I am waiving my rights to a hearing, to confront and cross-examine witnesses, to produce evidence, and to judicial review.

I further understand that this Order is considered a final administrative action that may be reported by the Division to the National Association of Insurance Commissioners, and to other regulatory agencies. I also understand that this Order is a public record under Iowa Code Chapter 22, which will be disclosed to other state regulatory authorities, upon request, pursuant to Iowa Code §§ 502.607(3) and 505.8(8)(d). I also understand that this Order will be posted to the Division's website and a notation will be made to the publicly available website record that administrative action has been taken against me.

Dated this 6 day of February, 2017.



Steven A. Olejniczak

7351 NW 100th St Grimes, IA 50111
Address of Signatory

Subscribed and sworn before me by Steven A. Olejniczak on this 6th day of February, 2017.



Notary Public



CERTIFICATE OF SERVICE
and
AFFIDAVIT OF COMPLIANCE

The undersigned affirms and certifies under penalty of perjury and pursuant to the laws of Iowa, that on February 9, 2017, the foregoing document was delivered to the United States Postal Service, postage prepaid, for restricted, certified mail service and if available, electronically delivered by email, to:

Steven A. Olejniczak
7351 NW 100th Street
Grimes, IA 50111

olefloor1@aol.com



Tammi L. Green