

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF)	
)	Division Case No. 105894
)	
CHRISTOPHER L. CHILDERS)	ORDER AND
NPN: 257186)	CONSENT TO ORDER
DOB: 08/10/XXXX,)	
)	
Respondent.)	

COMES NOW the Iowa Insurance Division (“Division”) and pursuant to the provisions of Iowa Code chapter 522B—Licensing of Insurance Producers, and states the following:

I. PARTIES AND JURISDICTION

1. The Commissioner of Insurance, Douglas M. Ommen, directly and through his designees, administers and enforces Iowa Code chapter 522B—Licensing of Insurance Producers and Iowa Code chapter 502—Uniform Securities Act pursuant to Iowa Code § 505.8.
2. Christopher L. Childers (“Respondent”) is an individual with a last known address of 7749 Ashley Place, Johnston, IA 50131.
3. Respondent is and has been licensed in the state of Iowa as a resident insurance producer since October 12, 1990. He is licensed under National Producer Number 257186.
4. Pursuant to Iowa Code § 505.28, Respondent has consented to the jurisdiction of the Commissioner of Insurance by committing acts governed by Iowa Code chapter 522B.
5. From on or about October 2017 through May 2018, Respondent engaged in acts and practices within the state of Iowa constituting cause for probation, suspension, or revocation of his insurance producer license; denial, revocation, suspension, withdrawal, restriction, condition, or limitation of his securities broker registration; cease and desist orders; and civil penalties or other relief under Iowa Code chapters 505 and 522B, and rules adopted pursuant to these chapters.

II. FINDINGS OF FACT

6. Respondent applied for an insurance producer license with the Division and the Division issued Respondent an insurance producer license on October 12, 1990, and assigned to him National Producer Number 257186.
7. Respondent renewed his resident insurance producer license with the Division on September 1, 2018, by submitting an application for renewal through the National Insurance Producer Registry. In this renewal application, Respondent designated the Commissioner as an agent for service of process.
8. Respondent is a partial owner and agent for Childers, Case, Kennedy & Associates of Windsor Heights, Iowa.
9. Respondent was an associated broker with the investment firm Cambridge Investment Research Inc., (“Cambridge”) in Fairfield, Iowa, from October 1, 2009 until April 13, 2018.
10. Respondent was appointed with Allianz Life Insurance Company of North America (“Allianz”) on May 16, 2000.

Consumer JR

11. Consumer JR is a resident of Missouri. JR was a client of Respondent’s since approximately 2005.
12. In 2017, JR was having a new house built and the project went over budget. She began to withdraw funds from her multiple retirement accounts to help pay for the costs.
13. Respondent recommended that JR transfer some of her gains from her Pershing LLC IRA account and her Jackson National Life IRA into an Allianz Index Advantage Variable Annuity (“Allianz VA”).

14. On October 17, 2017, Respondent emailed JR the application and transfer forms for the Allianz VA.

15. JR completed the following four forms and sent them to the Respondent: an Allianz Authorization to Transfer Funds form, a Suitability Form, a Variable Annuity Disclosure form, and the application for the Allianz VA. Each of these forms were signed and dated by JR on October 18, 2017.

16. A few weeks later, Respondent told JR he needed her to complete the contingent beneficiary section of the Allianz VA application.

17. On November 6, 2017, JR provided the contingent beneficiary information to Respondent.

18. Throughout December 2017 and the beginning of January 2018, JR contacted Respondent multiple times requesting to see an account statement for the Allianz VA.

19. On January 25, 2018, Respondent emailed JR a document purporting to be the account statement for her Allianz VA. The document was on Allianz letterhead and referenced Contract #9223133960, with an account balance of \$89,913.72. The document showed an issue date of December 26, 2017.

20. In January of 2018, JR received two year-end account statements for her Pershing LLC IRA and Jackson National IRA, which showed that the funds in these accounts had not yet been transferred into the Allianz VA as JR had been led to believe.

21. JR called Allianz to confirm the information on the statement she received from Respondent was correct. The representative from Allianz told JR that they had no account listed under Contract # 922313960 or under JR's information.

22. Based on JR's call with Allianz, Allianz and Cambridge opened investigations into the matter.
23. Respondent did not submit the VA application and supporting documents to Allianz until February 14, 2018.
24. All of the documents Respondent submitted to Allianz had been altered to reflect a date and signature of January 25, 2018. The contingent beneficiary information was also left off of the application Respondent submitted.
25. Cambridge concluded their internal investigation and, as a result, disassociated with Respondent in April 2018. Cambridge then reported the actions of Respondent to FINRA.
26. In June 2018, Allianz concluded their SIU investigation and referred the matter to the Fraud Bureau of the Division.
27. As part of its investigation, FINRA deposed Respondent on March 13, 2019. In his deposition, Respondent admitted that he had created a fake Allianz account statement and provided it to JR in January of 2018. Respondent further admitted that he had altered JR's signature on the Allianz VA forms with white out and replaced the signature with a scanned copy of the original application. Respondent admitted he had altered the dates on the original application documents with white out and then written in January 25, 2018. Respondent admitted he did not submit the altered VA application forms to Allianz until February 2018.
28. Respondent entered into a consent agreement with FINRA on September 18, 2019. Respondent consented to the FINRA sanctions without admitting or denying FINRA's findings. He was assessed a \$5,000 civil penalty along with suspension for all capacities for a period of four months from October 7, 2019 to February 6, 2020.

29. On July 10, 2018, JR entered into a settlement agreement with Cambridge in the amount of \$3,816.40.

30. As of May 2020, Respondent has not applied for reinstatement with FINRA.

31. On July 7, 2020, Respondent was sentenced in the Iowa District Court for Polk County, after pleading guilty to Fraudulent Sales Practices in violation of Iowa Code § 705E.3A, a class D felony. Respondent received a deferred judgment.

III. CONCLUSIONS OF LAW

COUNT ONE

Using Fraudulent, Coercive, Dishonest Practices, Demonstrating Incompetence or Untrustworthiness

32. Under Iowa Code § 522B.11(1)(h), a license may be subject to probation, suspension, or revocation and civil penalties may be levied, as provided in Iowa Code § 522B.17, for using fraudulent, coercive, or dishonest practices or demonstrating incompetence or untrustworthiness in the conduct of business.

33. Respondent demonstrated incompetence and untrustworthiness by failing to timely submit JR's annuity application to Allianz.

34. Respondent demonstrated dishonesty and fraud by placing JR's signature on the VA application in order to make it appear that JR had signed and dated the VA application on January 25, 2018.

35. Respondent demonstrated dishonesty and fraud when he created and presented a falsified account statement to JR.

36. Respondent's acts and practices have been in violation of Iowa Code § 522B.11(1)(h) subjecting Respondent to suspension or revocation of Respondent's insurance producer license, to the imposition of a civil penalty, an order requiring Respondent to cease and desist from


engaging in such acts or practices, the imposition of costs of the investigation and the prosecution of the matter, and any other corrective action the Commissioner deems necessary and appropriate pursuant to Iowa Code §§ 522B.11, 522B.17, and 505.8.

IV. ORDER

WEREFORE, IT IS ORDERED pursuant to the powers granted to the Commissioner of Insurance by Iowa Code chapters 507B, and 522B:

- A. Respondent's Iowa resident insurance producer license is suspended for a term of five-months pursuant to Iowa Code §§ 522B.11 and 522B.17.
- B. Respondent, pursuant to Iowa Code §§ 507B.7 and 522B shall immediately cease and desist from engaging in the business of insurance in the state of Iowa.
- C. Respondent shall, contemporaneously with this Order, pay a civil penalty in the amount of \$1,000.00. Payment shall be made payable to the Iowa Insurance Division, to be credited to the Iowa Enforcement Fund to provide funds for insurance enforcement and education pursuant to Iowa Code §§ 505.8, 507B.7.
- D. Respondent shall, contemporaneously with this Order, pay the amount of \$4,030.00 for costs of investigation and prosecution pursuant to Iowa Code § 505.8. Payment shall be made payable to the Iowa Insurance Division, to be credited to the Iowa Enforcement Fund to provide funds for insurance enforcement and education.
- A. These orders may be enforced under Iowa Code chapters 502, 507B, and 522B including but not limited to Iowa Code §§ 507B.8 and 522B.17(3), and additionally, by any collection remedies available to the State of Iowa Department of Revenue for unpaid penalties and other ordered monetary amount.

SO ORDERED on the 9th day of September, 2020.



DOUGLAS M. OMMEN
Iowa Insurance Commissioner

Respectfully submitted,

/s/ Adam J. Kenworthy

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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, in violation of this Order, 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 ALSO NOTIFIED that if you violate this Order, you may be subject to administrative and civil penalties pursuant to Iowa Code § 522B.17(3). 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 you in an amount not less than three thousand dollars but not greater than ten thousand dollars for each violation, and may issue further orders as it deems appropriate.

NOTICE OF FINAL ORDER IMPACT

A final order of license revocation or a cease and desist order may adversely affect other existing business or professional licenses and may result in license revocation or disciplinary action.

A final order in an administrative action does not resolve any potential criminal or civil violations or causes of action that might arise from the same or similar conduct that is the subject of this this order. It may result in criminal law enforcement authorities, including the fraud bureau of the Iowa Insurance Division, pursuing a criminal investigation or prosecution of potential criminal law violations.

CONSENT TO ORDER AND AGREEMENT

I, Christopher Childers, 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 this Order is considered a final administrative action that will be reported by the Division to the National Association of Insurance Commissioners and to other regulatory agencies. I also understand this Order is a public record under Iowa Code chapter 22 and information may be shared with other regulatory authorities or governmental agencies, pursuant to Iowa Code § 505.8(8)(d). I also understand 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: 8/3/20


Christopher L. Childers, Respondent

7749 ASBURY PLACE, JOHNSTON, IA 50131
Address of Signatory

Subscribed and sworn before me by Christopher L. Childers on this 3rd day of August, 2020.

Sheri L. Rodenkirk
Notary Public for the State of Iowa

