



5. From on or about July 2017 to October 7, 2019, Flaherty engaged in acts and practices within the state of Iowa constituting cause for probation, suspension, or revocation of his insurance producer license; cease and desist orders; civil penalties; restitution; costs of the investigation and prosecution or other relief under Iowa Code chapters 505, 507B, 522B, and rules adopted pursuant to these chapters.

## **II. FINDINGS OF FACT**

6. Flaherty 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”). In submitting the Uniform Application, Flaherty designated the Commissioner as an agent for service of process.

7. The Division issued Flaherty a license as a resident insurance producer on November 2, 2006, and assigned to him National Producer Number 7712811.

8. Flaherty was appointed with Guggenheim Life and Annuity Company (“Guggenheim”), SILAC Insurance Company (f/k/a Equitable Life & Casualty Insurance Company) (“SILAC”), Fidelity & Guaranty Life Insurance Company (“F&G”), and North American Company for Life and Health Insurance (“North American”) during the relevant time period.

### **Consumer Ms. LM**

9. At all times relevant hereto, Ms. LM was a resident of Iowa.

10. Flaherty sold insurance products to married couple, Ms. LM and Mr. JM. Mr. JM was the individual who primarily made financial decisions for the couple and who spoke with Flaherty regarding insurance recommendations and decisions. While Mr. JM was alive, Ms. LM had little involvement and understanding of the couple’s finances, investments, and insurance and had limited interactions with Flaherty.

11. In Summer and Fall 2013, Flaherty assisted Ms. LM and Mr. JM in purchasing four annuities with F&G. Ms. LM and Mr. JM liquidated their mutual funds held by Morgan Stanley, each of them applied for two annuities with F&G, and they used the mutual fund sale proceeds to purchase the F&G annuities.

12. Mr. JM died on September 23, 2017. Flaherty offered to assist Ms. LM with the funeral and death claim process.

13. Subsequent to Mr. JM's death, Flaherty cultivated a close relationship with Ms. LM, getting together for frequent, often weekly, social visits. Flaherty described Ms. LM as being a very close friend and a big part of his life.

14. From at least 2017 to 2019, Flaherty assisted Ms. LM in a series of annuity transactions, including the surrender of annuities held on average for about 13 months, and purchasing new annuities using the previous annuity(ies) as a source of funds. Flaherty assisted Ms. LM in completing 12 annuity applications and 11 full surrenders.

15. The following table summarizes the annuity for which Flaherty was the agent of record:

<b>Policy Information</b>	<b>Date</b>	<b>Premium Amount</b>	<b>Source of Funds</b>	<b>Surrender Charge Period</b>	<b>Full Surrender Date</b>	<b>Net Surrender Value</b>
F&G Prosperity Elite 14, Contract # X8515	Application Date, 7/29/13  Issue Date, 8/22/13	\$149,663.00	Per Application: Mutual Fund Redemption  Actual Source: Morgan Stanley Mutual Funds	14 years	Form signed 7/11/17  Effective, 8/23/17	\$107,308.43 (surrender charge of \$11,494.15)
F&G Prosperity Elite 14, Contract # X9329	Application Date, 8/28/13  Issue Date, 9/22/13	\$130,772.70	Per Application: Mutual Fund Redemption  Actual Source: Morgan Stanley Mutual Funds	14 years	Form signed 7/11/17  Effective, 8/9/17	\$64,933.50 (surrender charge of \$7,678.74)

American Equity Retirement Gold, Contract #X0028	Application Date, 7/10/17 Issue Date, 8/16/17	\$50,000.00	Per Application: stocks, bonds, brokerage account Actual source: F&G annuity surrenders, via Ms. LM's personal check	10 years	Form signed 9/4/18 Effective, 9/11/18	\$44,218.82 (surrender charge of \$5,771.20)
American Equity Retirement Gold, Contract #X0029	Application Date, 7/10/17 Issue Date, 8/28/17	\$102,308.43	Per Application: stocks, bonds, brokerage  Actual source: F&G annuity surrenders via Ms. LM's personal check	10 years	Form signed 9/4/18 Effective, 9/11/18	\$26,050.81 (surrender charge of \$4,104.15)
American Equity Retirement Gold, Contract #X5813	Application Date, 9/29/17 Issue Date, 10/31/17	\$555,949.97	Per Application: F&G Death Proceeds  Actual source: F&G Death Proceeds from Mr. JM's policy ending in 8514	16 years	Form signed July 2018 Effective, 7/18/18	\$470,804.48 (surrender charge of \$123,291.58)
American Equity Retirement Gold, Contract #X5818	Application Date, 9/29/17 Issue Date, 10/31/17	\$652,978.66	Per Application: F&G Death Proceeds  Actual source: F&G Death Proceeds from Mr. JM's policy ending in 1322	16 years	Form signed 9/4/18 Effective, 9/11/18	\$520,180.40 (surrender charge of \$130,045.10)
North American Charter 14 Plus, Contract #X5074	Application Date, 10/3/17 Issue Date, 10/18/17	\$140,000.00	Per Application: Stocks/bonds/mutual funds  Actual source: Edward Jones stocks/bonds/mutual funds, via Ms. LM's personal check	14 years	Form signed 6/15/19 Effective, 6/18/19	\$49,252.33 (surrender charge of \$6,289.50)
Guggenheim Highlander FIA, Contract # X2759	Application Date, 7/11/18 Issue Date, 8/3/18	\$450,000.00 initial premium plus \$26,050.81 additional premium on 9/13/18	Per Application: IRA, QF  Actual source: Surrender of American Equity annuities X5813 and X0029, via Ms. LM's personal	10 years	Form signed 10/3/19 Effective, 10/14/19	\$458,630.47 (surrender charge of \$10,562.65)

			check			
Guggenheim Highlander FIA, Contract # X3863	Application Date, 9/5/18 Issue Date, 9/18/18	\$300,000.00	Per Application: Other Investments  Actual source: Surrender of American Equity policies X0028, X0029, and X5818, via Ms. LM's personal check	10 years	Form signed 10/3/19  Effective, 10/14/19	\$274,331.13 (surrender charge of \$14,020.12)
Guggenheim Highlander FIA, Contract # X3864	Application Date, 9/5/18 Issue Date, 9/18/18	\$200,000.00	Per Application: Other Investments  Actual source: Surrender of American Equity annuities X0028, X0029, and X5818, via Ms. LM's personal check	10 years	Form signed 10/3/19  Effective, 10/14/19	\$139,581.72 (surrender charge of \$7,133.77)
SILAC (f/k/a Equitable) Teton Bonus FIA, Contract X4126	Application Date, 10/7/19 Issue Date, 11/13/19	\$330,500.00	Per Application: Savings/checking  Actual source: Surrender of Guggenheim annuities X3863 and X3864 via Ms. LM's personal check	14 years	Form signed 11/16/20  Effective, 12/3/20	\$243,882.60 (surrender charge of \$35,684.72)
SILAC (f/k/a Equitable) Teton Bonus FIA, Contract X4127	Application Date, 10/7/19 Issue Date, 11/6/19	\$460,000.00	Per Application: Rollover from retirement account; Stocks/bonds/ brokerage account  Actual source: Surrender of Guggenheim annuity X2759, via Ms. LM's personal check	14 years	N/A. No longer in force as of July 2022 as part of private resolution.	N/A

**Table 1**

16. Flaherty assisted in entering all of Ms. LM's personal and financial information and completed all the application documents and surrender paperwork for each transaction identified above in Table 1.

17. Flaherty failed to represent these transactions as replacements on the relevant application paperwork.
18. Prior to the full surrenders identified above in Table 1, Ms. LM also requested withdrawals or partial surrenders on all but one of the annuity contracts.
19. With all of the partial and full surrenders since her husband's death, Ms. LM was charged a total of approximately \$505,651.26 in surrender charges and bonus recaptures as a result of the replacements for which Flaherty was the agent of record.
20. Flaherty knew or should have known that each annuity applied for from 2018 and onward, was not suitable for Ms. LM based upon her particular financial situation, insurance needs, and financial objectives.
21. Despite Flaherty indicating on every suitability form that Ms. LM had significant liquid assets, Ms. LM kept taking partial and full surrenders of her annuities because she needed money to pay for expenses.
22. When these surrenders occurred, Ms. LM would often keep some money to pay for discretionary expenses such as new vehicles, home furnishings, and gifts to family members. Ms. LM also gave a portion of the surrender funds to Flaherty for other purposes.
23. Flaherty also had knowledge of Ms. LM's spending habits and frequent need for liquidity because the two of them had frequent discussions about it.
24. On or about December 30, 2021, the Iowa Insurance Division contacted Ms. LM and asked her to submit to an interview regarding Flaherty.
25. On or about January 6, 2022, Ms. LM provided an interview to the Iowa Insurance Division.
26. On or about January 23, 2022, a complaint was filed with the Division on behalf of

Ms. LM.

27. Ms. LM has entered private settlement agreements with most of the relevant insurers and has since recovered \$444,063.39.

**Consumer Ms. DM**

28. At all times relevant hereto, Ms. DM was a resident of Iowa.

29. Ms. DM was the owner of two variable annuities with Pruco Life Insurance Company (“Pruco”).

30. Pruco issued Defined Income Variable Annuity ending in 4088 to Ms. DM on November 3, 2014, in the amount of \$189,374.16. This annuity had a seven-year contingent deferred sales charge (“CDSC”) period.

31. Pruco issued Defined Income Variable Annuity ending in 0578 to Ms. DM on November 12, 2018, in the amount of \$41,178.86. This annuity had a seven-year CDSC period.

Both of the Pruco variable annuities contained a Defined Income Benefit, a built-in guaranteed lifetime withdrawal benefit which allowed Ms. DM to take a certain annual withdrawal amount over her lifetime, regardless of the impact of subaccount performance on the account value.

32. Flaherty was not involved in the sale of the two Pruco variable annuities to Ms. DM.

33. Ms. DM had little financial experience and was seeking a new financial advisor after her former advisor left his company. One of Ms. DM’s friends, Ms. LM, recommended Flaherty to Ms. DM.

34. On or about June 17, 2020, Ms. DM met with Flaherty and another producer, Glenn Sax, at Flaherty’s Midwest Senior Solutions office.

35. Ms. DM claims during their meeting, Flaherty told Ms. DM about an investment opportunity he referred to as a “PMI” account at Bank Iowa which would provide her with an

initial 10% bonus, 3% monthly interest thereafter, and was similar to a savings or money market account.

36. The next day, Ms. DM provided Flaherty with a check for \$100,000.00, payable to Infinity, per Flaherty's instructions. Ms. DM's \$100,000.00 check was deposited into Bank Iowa business checking account ending in 5478 for Infinity.

37. Three days after depositing Ms. DM's \$100,000.00, Flaherty transferred \$25,000.00 from the Infinity account to his personal bank account ending in 9068.

38. This money was commingled with the funds in Flaherty's personal account, which had a balance of \$42,834.74 prior to the transfer. The same day of the transfer, Flaherty used the commingled funds from his personal account to pay for personal expenses, including the purchase of a boat for \$63,000.00.

39. On or about July 7, 2020, Ms. DM contacted Flaherty asking for interest money generated by the "PMI" account to pay for her niece's air conditioner. Flaherty timely responded, confirming that \$14,000.00 in interest money from the "PMI" account was available and that Ms. DM could pick up a check at his office that same day.

40. In late August 2020, Ms. DM asked that the "PMI" money be returned.

41. On or about August 31, 2020, Flaherty provided Ms. DM with a check for \$86,000.00.

42. Regarding the second opportunity, Flaherty assisted Ms. DM in surrendering her Pruco variable annuities and replaced them with deferred fixed indexed annuities issued by SILAC.

43. On or about June 17, 2020, Ms. DM applied for the SILAC fixed indexed annuity. Producer Glenn Sax (another producer sharing office space) and Flaherty were both listed as producers on the application documents with Flaherty to receive 90% of the commission. Flaherty received \$17,155.48 in commissions as a result of this sale.

44. After deducting CDSC for both annuities in the combined amount of \$12,929.33, Pruco



sent two checks to SILAC, totaling \$210,496.66, to fund the SILAC fixed indexed annuity.

45. On or about August 19, 2020, the SILAC annuity ending in 3179 was issued in the amount of \$210,496.66 and it contained a 14-year surrender period as well as a 10% premium bonus. With the 10% premium bonus, the account value was approximately \$231,546.33.

However, the annuity did not contain an income rider and no withdrawals could be made in the first contract year.

46. On the SILAC suitability form, Flaherty failed to include Ms. DM's financial goal to have lifetime income and he indicated that Ms. DM had no current plans to access distributions. Previously, Ms. DM had been receiving approximately \$1,200 in monthly income from her Pruco annuities that she needed to pay for living expenses. Ms. DM did not know that she would not be receiving income from the new SILAC annuities.

47. On the SILAC suitability form, Flaherty disclosed that a replacement was occurring, but he listed incorrect surrender information and failed to disclose the income that Ms. DM received from her current Pruco annuities.

48. Ms. DM claims Flaherty told Ms. DM that she would not lose money because the surrender charge would be made up by the SILAC bonus.

49. Ms. DM Claims Flaherty failed to explain that Ms. DM would not have immediate access to the 10% bonus credited to her SILAC annuity, nor did he explain that the annuity contained a 14-year bonus recovery period.

50. On or about August 30 and September 3, 2020, Ms. DM called SILAC claiming that Flaherty failed to explain the contract terms. At that time, SILAC annuity ending in 3180 had not yet been issued. Ms. DM also indicated that she wanted annuity ending in 3179, that had been issued, to be cancelled as well and the money returned to Pruco.

51. SILAC eventually processed a free-look and returned the full premium paid to Ms. DM,

but the money was not returned to Pruco due to a disagreement between the companies regarding what forms were required to send back and accept the funds.

52. SILAC charged back the commissions paid in connection with the sale of this annuity.

### III. CONCLUSIONS OF LAW

#### COUNT ONE Suitability

53. Iowa Code § 507B.3 provides that a person “shall not engage in this state in any trade practice, which is defined in this chapter as, or determined pursuant to section 507B.6 to be, an unfair method of competition, or an unfair or deceptive act or practice in the business of insurance.”

54. Iowa Code § 507B.6 provides:

Whenever the commissioner believes that any person has been engaged or is engaging in this state in any unfair method of competition or any unfair or deceptive act or practice whether or not defined in section 507B.4, 507B.4A, or 507B.5 and that a proceeding by the commissioner in respect to such method of competition or unfair or deceptive act or practice would be in the public interest, the commissioner shall issue and serve upon such person a statement of charges in that respect and a notice of hearing on such charges to be held at a time and place fixed in the notice, which shall not be less than ten days after the date of the service of such notice.

55. Under Iowa Code § 507B.4B(1), a person “shall not recommend to any individual the purchase, sale, or exchange of any annuity contract, or any rider, endorsement, or amendment thereto, unless the person has reasonable grounds to believe that the recommendation is suitable for the individual based upon a reasonable inquiry into the individual’s financial status, investment objectives, and other relevant information.”

56. The Commissioner promulgated annuity suitability regulations in Iowa Administrative Code chapter 191—15, entitled “Unfair Trade Practices.” These regulations were recently amended to remain current with changes made to NAIC model law #275, the Suitability in

Annuity Transactions Model Regulation. The regulations in effect during the relevant time period in this matter provided:

In recommending to a consumer the purchase of an annuity or the exchange of an annuity that results in another insurance transaction or series of insurance transactions, the insurance producer, or the insurer where no producer is involved, shall have reasonable grounds for believing that the recommendation is suitable for the consumer on the basis of the facts disclosed by the consumer as to the consumer's investments and other insurance products and as to the consumer's financial situation and needs, including the consumer's suitability information, and that there is a reasonable basis to believe all of the following:

- a.* The consumer has been reasonably informed of various features of the recommended annuity, such as: the potential surrender period and surrender charge; potential tax penalty if the consumer sells, exchanges, surrenders or annuitizes the annuity; mortality and expense fees; investment advisory fees; potential charges for and features of riders; limitations on interest returns; insurance and investment components; and market risk;
- b.* The consumer would benefit from certain features of the annuity, such as tax-deferred growth, annuitization, death benefit, or living benefit;
- c.* The particular annuity as a whole, the underlying subaccounts to which funds are allocated at the time of purchase or exchange of the annuity, and riders and similar product enhancements, if any, are suitable (and in the case of an exchange or replacement, the transaction as a whole is suitable) for the particular consumer based on the consumer's suitability information; and
- d.* In the case of an exchange or replacement of an annuity, the exchange or

replacement is suitable, including taking into consideration whether:

- (1) The consumer will incur a surrender charge, be subject to the commencement of a new surrender period, lose existing benefits (such as death benefit, living benefit, or other contractual benefits), or be subject to increased fees, investment advisory fees or charges for riders and similar product enhancements;
- (2) The consumer would benefit from product enhancements and improvements; and
- (3) The consumer has had another annuity exchange or replacement and, in particular, an exchange or replacement within the preceding 36 months.

Iowa Administrative Code rule 191—15.75(1) (2019).

57. Flaherty failed to have reasonable grounds to believe Ms. LM's annuities with Guggenheim and SILAC would be suitable for her.

58. Flaherty failed to have reasonable grounds to believe Ms. DM's SILAC annuity would be suitable for her.

59. Flaherty's acts and practices have been in violation of Iowa Code §§ 507B.3 , 507B.4B, and Iowa Administrative Code rule 191—15.75(1) subjecting Flaherty to an order requiring him to take reasonably appropriate corrective action for any consumer harmed by his violation, suspension or revocation of his insurance producer license, imposition of a civil penalty, an order requiring him to cease and desist from engaging in such acts or practices, imposition of costs of the investigation and prosecution of the matter, restitution, and any other corrective action the Commissioner deems necessary and appropriate pursuant to Iowa Code §§ 505.8(10), 507B.3, 507B.4B, 507B.6, 507B.7, and Iowa Administrative Code rule 191—15.75 and 15.77.

**COUNT TWO**  
**Replacement of Annuities**

60. Under Iowa Code § 507B.3, "a person shall not engage in this state in any trade practice which is defined in this chapter, or is determined pursuant to section 507B.6 to be, an unfair method of competition, or an unfair or deceptive act or practice in the business of insurance."

61. Iowa Administrative Code chapters 191—15 and 191—16 establishes certain minimum standards and guidelines of conduct by identifying unfair methods of competition and unfair or deceptive acts or practices in the business of insurance, as prohibited by Iowa Code chapter 507B.

62. Iowa Administrative Code rule 191—16.22 defines "replacement" as

[A] transaction in which a new policy or contract is to be purchased, and it is known or should be known to the proposing producer, . . . , that by reason of the transaction, an existing policy or contract has been or is to be:

1. Lapsed, forfeited, surrendered, or partially surrendered, assigned to the replacing insurer or otherwise terminated . . . "

63. Iowa Administrative Code rule 191—16.24(2) requires producers to present and read a notice regarding replacements to the applicant if the applicant has an existing policy. The notice must list all insurance policies or annuities proposed to be replaced and whether a policy or contract will be replaced or whether it will be used as a source of financing for the new policy.

64. Iowa Administrative Code rule 191—16.29(2) states:

Policy and contract owners have the right to replace existing life insurance policies or annuity contracts after indicating in or as a part of applications for new coverage that replacement is not their intention; however, patterns of such action by policy or contract owners of the same producer shall be deemed prima facie evidence of the producer's knowledge that replacement was intended in connection with the identified transactions, and these patterns of action shall be deemed prima facie evidence of the producer's intent to violate these rules.

65. Even though Flaherty facilitated the surrender of Ms. LM's F&G, American Equity, North American, and Guggenheim annuities to fund each newly applied for annuity, Flaherty

failed to represent that applied for annuities were replacements on application paperwork for Ms. LM's following annuities: American Equity contracts ending in 0028 and 0029; Guggenheim contracts ending in 2759, 3863, and 3864; and SILAC contracts ending in 4126 and 4127.

66. Flaherty's acts and practices have been in violation of Iowa Code § 507B.3 and rules adopted pursuant to this chapter including but not limited to Iowa Administrative Code rule 191—16.24(2), subjecting Respondent to suspension or revocation of his insurance producer license, imposition of a civil penalty, an order requiring him to cease and desist from engaging in such acts or practices, imposition of costs of the investigation and prosecution of the matter, restitution, and any other corrective action the Commissioner deems necessary and appropriate pursuant to Iowa Code §§ 505.8, 507B.7, and Iowa Administrative Code rule 191—16.29.

**COUNT THREE**  
**Demonstrating Incompetence or Untrustworthiness**

67. 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 demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business.

68. Flaherty demonstrated incompetence, untrustworthiness, or financial irresponsibility when he advised Ms. DM to give him \$100,000 to invest in a "PMI" account that would provide her a bonus and monthly interest, even though Flaherty never deposited her money into such account, and Flaherty was not licensed to offer investment advice.

69. Flaherty demonstrated incompetence, untrustworthiness, or financial irresponsibility when he used part of Ms. DM's "PMI" money to purchase a boat for himself.

70. Flaherty returned the \$100,000 to Ms. DM promptly upon her request.

71. Flaherty's acts and practices have been in violation of Iowa Code § 522B.11(1)(h) subjecting Flaherty to probation, suspension, or revocation of his insurance producer license, the imposition of a civil penalty, an order requiring him to cease and desist from engaging in such acts or practices, an order of restitution, the imposition of costs of the investigation and 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

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

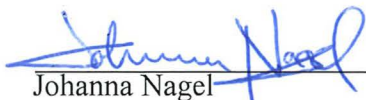
- A. Flaherty's resident insurance producer license is immediately revoked pursuant to Iowa Code §§ 507B.7 and 522B.11;
- B. Flaherty shall immediately cease and desist from engaging in the acts or practices found herein pursuant to Iowa Code §§ 507B.7 and 522B.17;
- C. Flaherty shall, within 30 days of this Consent Order, pay restitution in the amount of \$44,528.42. This amount shall be made payable to the Iowa Insurance Division and will be credited to the Iowa Settlement Fund to be distributed to relevant consumers pursuant to Iowa Code § 505.8;
- D. Flaherty shall, within 30 days of this Consent Order, pay \$10,000 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.
- E. These orders may be enforced under Iowa Code chapters 507B and 522B, and additionally, by any collection remedies available to the State of Iowa Department of Revenue for unpaid ordered monetary amounts.

SO ORDERED on the 30<sup>th</sup> day of March, 2023.



DOUGLAS M. OMMEN  
Iowa Insurance Commissioner

Respectfully submitted,



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**ATTORNEYS FOR RESPONDENT**

CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing instrument was served upon all parties to the above cause, or their attorney, at their respective addresses disclosed on the pleadings on March 30, 2023.

By:  First Class Mail  Personal Service  
 Restricted certified mail, return receipt  Email, by consent  
 Certified mail, return receipt  \_\_\_\_\_

Signature: Brooke Hohn  
Brooke Hohn

**NOTICE OF PENALTIES FOR WILLEFUL 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) and 502.604. 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 REGARDING REISSUANCE**

Upon entry of this Order, your insurance producer license will become inactive due to revocation. While your license is inactive, you are prohibited from conducting the business of insurance. Your license will not be active until the Division makes the determination to reissue your insurance producer license by order pursuant to Iowa Administrative Code rule 191—10.10. Reissuance of your insurance producer license is subject to the discretion of the Commissioner. Additionally, it will not be granted unless and until you have complied with the terms of this

Order, made the appropriate Application for Reissuance with the Division, and paid all applicable fees. If applicable, you may also be required to apply for licensure through the National Insurance Producer Registry (NIPR) and pay all applicable fees.

**NOTICE OF FINAL ORDER IMPACT**

A final order of license probation, suspension, or 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 contested case. 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, Zachary J. Flaherty, Respondent in this matter, have read, understood, and do knowingly consent to this Order in its entirety. I understand and acknowledge I have the right to consult with an attorney on this matter if I choose to do so, and acknowledge that the Division cannot provide us an attorney nor can the Division provide me legal advice. By executing this Consent Order, I understand that I am waiving my rights to a contested case 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.

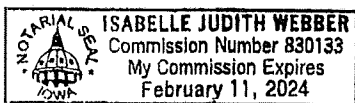
Dated: 3/29/2023



\_\_\_\_\_  
Zachary J. Flaherty, Respondent

11761 Aurora Ct Cive IA 50325  
Address of Signatory

Subscribed and sworn before me by Zach Flaherty on this 29<sup>th</sup> day of MARCH, 2023.



Isabelle Webber  
Notary Public in the State of IA