

DEPARTMENT OF INSURANCE

STATE OF WYOMING

WYOMING INSURANCE DEPARTMENT,)
)
 Petitioner,)
)
 vs.) **Docket No. 08-19**
)
WILLIAM ALAN GAY and)
SOUTHERN FINANCIAL CORPORATION,)
)
 Respondents.)

PETITION FOR NOTICE AND ORDER TO SHOW CAUSE

COMES NOW the Wyoming Department of Insurance, acting by and through Stephanie Bryant McGee, Deputy Commissioner, and pursuant to Wyo. Stat. §§ 26-1-103, 26-2-109 and 26-2-111, and Chapter 32 § 4 of the Wyoming Insurance Department Regulations and Rules for Practice and Procedure Before the Department; and the Wyoming Administrative Procedure Act, Wyo. Stat. § 16-3-101 *et seq.*, herewith moves the Wyoming Insurance Commissioner for the issuance of a Notice and Order to Show Cause directed to William Alan Gay and Southern Financial Corporation, whose last reported address was 8100 East Maplewood Avenue, Suite 140, Greenwood Village, CO 80111. As cause for this Petition, the Wyoming Insurance Department states and alleges as follows:

1. The Wyoming Insurance Commissioner has jurisdiction over this matter pursuant to Wyo. Stat. §§ 26-1-103, 26-1-108, and 26-9-211.
2. Respondent William Alan Gay is licensed by the Wyoming Department of Insurance as a nonresident producer, License No. 157408 issued December 13, 2006, with a renewal date of February 28, 2009. The Respondent's Individual ID is 10059400 and his National Producer Number is 1599127.
3. Respondent Southern Financial Corporation is licensed by the Wyoming Department of Insurance as a nonresident producer firm, License No. 157410 issued December 13, 2006. The Respondent's organization ID is 15006749 and its federal employee identification number is 84-1207812.
4. The business records of the Department of Insurance show that Respondents are associated with each other and share the same mailing address.

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DATE *December 3, 2008*
BY *De Ann Kibbelm*

5. The business records of the Department of Insurance show Respondent William Alan Gay is not currently affiliated with any insurer.

6. On or about October 17, 2008, a State RIRS Notification was received from the National Association of Insurance Commissioners (NAIC) notifying the Department that regulatory action had been taken against the insurance licenses of Respondents William Alan Gay and Southern Financial Corporation in the state of Colorado.

7. Petitioner's investigation of the matter reported by the NAIC revealed that an Order of Summary Suspension was entered in the State of Colorado, Office of Administrative Courts, on August 28, 2008. The findings of the Colorado Division of Insurance in said Order included in part that reasonable grounds exist to believe that Respondents have violated the provisions of that state's licensing act (Colorado Producer Licensing Model Act "PLMA"); that Respondent William Alan Gay continues to violate the provisions of the PLMA; that Respondent William Alan Gay has willfully and deliberately acted in violation of the PLMA; and that Respondents are guilty of willful and deliberate violations of the PLMA. A copy of the Colorado order is on file herein. The Colorado Order incorporated by reference a Notice of Charges which alleges, *inter alia* that Respondent William Alan Gay committed unfair trade practices or fraud, and also demonstrated incompetence, untrustworthiness, or financial irresponsibility.

8. Pursuant to Wyo. Stat. § 26-9-208(a)(i), a condition for nonresident licensing in Wyoming is that the person is currently licensed as a resident and is in good standing in his home state. Respondents' home state is Colorado.

9. Pursuant to Wyo. Stat. § 26-9-211(a) the Commissioner may place on probation, suspend, revoke or refuse to issue or renew an insurance producer's license for:

(ii) Violating any insurance laws, or violating any regulation, subpoena or order of the commissioner or of another state's insurance commissioner;

(v) Intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance;

(vii) Having admitted or been found to have committed any insurance unfair trade practice or fraud;

(viii) Using fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere;

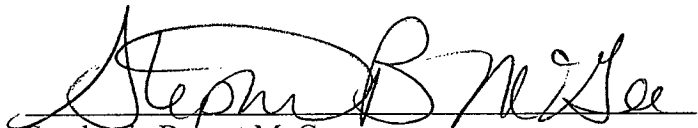
(ix) Having an insurance producer license, or its equivalent, denied, suspended or revoked in any other state, province, district or territory;

10. Pursuant to Wyo. Stat. § 26-9-211(b) the license of a business entity may be suspended, revoked or refused if the commissioner finds, after notice and opportunity for hearing, that an individual licensee's violation was known by one (1) or more of the partners, officers or managers acting on behalf of the business entity and the violation was neither reported to the commissioner nor corrective action taken.

WHEREFORE the Department of Insurance respectfully prays the Wyoming Insurance Commissioner to:

- A. Revoke the nonresident producer licenses of Respondents William Alan Gay and Southern Financial Corporation for violation of Wyo. Stat. §§ 26-9-208(a)(i) and 26- 26-9-211.
- B. To enter such other and further relief as may be permitted by law.

Dated this 31 day of December, 2008.



Stephanie Bryant McGee
Deputy Commissioner
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