

**BEFORE THE ARKANSAS INSURANCE DEPARTMENT**

**ARKANSAS INSURANCE DEPARTMENT**

**PETITIONER**

v.

**Case No. 152971**

**DEBRA FALUKNER  
NPN 16135889**

**RESPONDENT**

**A.I.D. ORDER NO. 2024-97**

**CONSENT ORDER**

Now on this day before Alan McClain, the Insurance Commissioner for the State of Arkansas (“Commissioner”) came Debra Faulkner, (“Respondent”), who has reached an agreement concerning the resident insurance producer license issued to her by the Arkansas Insurance Department (“Department”). The Commissioner is represented by Amanda Gibson, Managing Attorney. Respondent is represented by Jeffrey Sawyer of the Sawyer Firm, PLLC. Respondent voluntarily waived her right to a hearing, and consents to the entry of this Consent Order.

Respondent neither admits nor denies the Findings of Fact and Conclusions of Law contained herein.

From the facts and law before the Commissioner, he finds as follows:

**GENERAL STIPULATIONS**

1. It is expressly understood that this Consent Order is subject to the Commissioner’s acceptance and has no force or effect until such acceptance is evidenced by the entry of the Commissioner.
  2. This Consent Order is executed for the purpose of avoiding further administrative time, expense, and action with respect to this cause.
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3. Respondent fully understands that this Consent Order will in no way preclude additional proceedings by the Commissioner against her for acts or omissions not specifically addressed in this Case No. 152971 or for facts and omissions that do not arise from the facts or transactions addressed under Case No. 152971.

4. Having the right to consult with legal counsel, Respondent expressly waives all further procedural steps, and expressly waives all rights to seek judicial review of, or to otherwise challenge or contest the validity of this Consent Order, the stipulations and imposition of discipline contained herein, and the consideration and entry of said Order by the Commissioner. This Order is executed in the public interest, in the best interests of the parties hereto, and it represents a compromise and settlement of the controversy between the parties. This Order is for settlement purposes only.

5. By her signature affixed below, Respondent affirmatively states that she has freely agreed to the entry of this Consent Order, that she has been advised that she may consult with legal counsel and has had the opportunity to consult with legal counsel, that she waives her right to a hearing on the matters underlying this Consent Order, and that no threats or promises of any kind have been made by the Commissioner, the Department, or any agent or representative thereof.

6. The parties, by executing this Consent Order, affirmatively state their agreement to be bound by the terms of this Order and aver that no promises or offers relating to the circumstances described herein have been made, other than the terms of settlement set forth in this Order, are binding upon them.

7. Respondent acknowledges that the purpose of this Consent Order is to levy a civil monetary penalty and to place her producer license on probation.

## FINDINGS OF FACT

1. Respondent Debra Faulkner holds an Arkansas resident insurance producer license, National Producer Number 16135889, and is a resident of El Dorado. Specifically, Respondent holds a limited lines funeral expense license.
2. On August 30, 2023, charges were filed against Respondent in case number 26CR-23-588, which is pending in Garland County Circuit Court
3. Respondent untimely reported these charges to the Department when she made the report on November 3, 2023.
4. On May 10, 2024, charges were filed against Respondent in case number 70CR-24-161, which is pending in Union County.
5. On May 30, 2024, Respondent notified the Department in writing of the filing of the charges, but she did not report them to the National Insurance Producer Registry (“NIPR”).
6. Respondent allowed an unlicensed person in her office to engage in the business of insurance. Specifically, Respondent allowed her secretary to consult in the business of insurance on her behalf. This occurred when the secretary discussed consumers’ policies with them.

## CONCLUSIONS OF LAW

1. Ark. Code Ann. § 23-60-101, *et. seq.*, assigns the responsibility for administration of the Arkansas Insurance Code to the Arkansas Insurance Commissioner. The Department is the lawful agency through which the Commissioner administers the Arkansas Insurance Code, and he is authorized to bring this action for the protection of Arkansas consumers.
2. The Commissioner has jurisdiction over the parties and subject matter pursuant to Ark. Code Ann. § 23-61-103.

3. Ark. Code Ann. § 23-64-512(a) allows the Commissioner to “place on probation, suspend, revoke, or refuse to issue or renew an insurance producer’s license or may levy a civil penalty in accordance with § 23-64-216 or any combination of actions for any one (1) or more of the following causes...(2) violating any of the following that calls into question the insurance producer’s fitness to hold a license: (A) a law...(8) using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, lack of good personal or business reputation, or financial irresponsibility”.

4. Ark. Code Ann. § 23-64-216(d) authorizes the Commissioner to levy “...an administrative penalty in the amount of up to one thousand dollars (\$1,000) per violation or, if the Insurance Commissioner has found willful misconduct or willful violation on the part of the licensee, up to five thousand dollars (\$5,000) per violation. (2) The administrative penalty may be augmented, in the Insurance Commissioner’s discretion, by an amount equal to any commissions received by or accruing to the credit of the licensee for any transaction related to the proceeding against the licensee...”

5. Ark. Code Ann. § 23-64-201(a) provides, “No insurance producer, insurer, insurance consultant, or adjuster shall permit any person not properly licensed under this chapter to solicit, sell, negotiate, engage, consult, or adjust in the business of insurance on behalf of the insurance producer, insurer, insurance consultant, or adjuster.”

6. Ark. Code Ann. § 23-64-201(e) provides, “All licensees or applicants for licensure under this section must notify the commissioner in writing within thirty (30) days of any filing of a criminal charge or conviction or plea of a criminal charge or the filing of any bankruptcy proceeding by or against them. Failure to so notify the commissioner may result in the immediate suspension of the license.”

7. Respondent's conduct as described in Findings of Fact 2 through 5, in failing to report the criminal charges within thirty days, constitutes a violation of Ark. Code Ann. § 23-64-201(e).
8. Respondent's conduct as described in Finding of Fact 6, in allowing her secretary to consult with consumers about their policies, constitutes a violation of Ark. Code Ann. § 23-64-201(a) when she allowed an unlicensed person to engage in the business of insurance.
9. Respondent's conduct as described in Finding of Fact 6, in allowing her secretary to consult with consumers about their policies, further constitutes a violation of Ark. Code Ann. § 23-64-512(a)(8) in that she demonstrated incompetence when she allowed an unlicensed person to engage in the business of insurance.
10. The Commissioner hereby concludes that the facts set forth in the Findings of Fact, above, provide grounds for the issuance of this Order.

#### **ORDER**

**NOW THEREFORE**, on the basis of the foregoing and the waiver of the Respondent of her right to a hearing and appeal under the Arkansas Administrative Procedure Act, Ark. Code Ann. §§ 25-15-201 *et. seq.*, and the admission by Respondent of the jurisdiction of the Commissioner, the Commissioner finds that the Respondent has consented to entry of this Order and that the following Order is appropriate and in the public interest.

#### **IT IS HEREBY ORDERED:**

1. That Respondent Debra Faulkner shall pay a civil monetary penalty in the amount of \$1,000. The penalty shall be made by check or money order payable to the Arkansas Insurance Department Trust Fund. The penalty shall be paid within six months of the date of this Order.
2. That Respondent Debra Faulkner's producer license shall be placed on probation for a period of three years, beginning on the date of this Order.

IT IS SO ORDERED, DIRECTED AND AGREED TO AS OF THE 21<sup>st</sup> DAY OF  
NOVEMBER, 2024.



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ALAN MCCLAIN  
INSURANCE COMMISSIONER  
STATE OF ARKANSAS

  

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**DEBRA FAULKNER**  
**NPN 16135889**