

STATE OF MAINE  
BUREAU OF INSURANCE

IN RE:

RICHARD W. PRESTON

Maine License No. PRR37325  
National Producer No. 2352173

**CONSENT AGREEMENT**

Docket No. INS-14-201

Richard W. Preston, a licensed Maine resident insurance producer, the Maine Superintendent of Insurance (“the Superintendent”), and the Office of the Maine Attorney General (“Attorney General”) hereby enter into this Consent Agreement pursuant to 10 M.R.S. § 8003(5)(B) to resolve, without an adjudicatory proceeding, violations of the Insurance Code for which the Superintendent may impose discipline pursuant to 24-A M.R.S. §§ 1417 and 1420-K.

**PARTIES**

1. The Superintendent of Insurance is the official charged with administering and enforcing Maine’s insurance laws and regulations, and the Bureau of Insurance is the administrative agency with such jurisdiction. The Superintendent has jurisdiction over this matter pursuant to 24-A M.R.S. §§ 12-A and 211.
2. Richard W. Preston has been licensed in Maine as a resident insurance producer since June 5, 1993. He is licensed as a producer with life/health and variable contracts authority. His Maine producer license number is PRR37325. His National Insurance Producer Registry number is 2352173.

**STATUTORY AUTHORITY**

3. Under 24-A M.R.S. §§ 12-A and 1420-K, the Superintendent may issue a warning, censure, or reprimand to a licensee, may suspend, revoke or refuse to renew the license of a licensee, may impose conditions of probation on the licensee, may levy a civil penalty, or may take any combination of such actions, for violating any insurance laws, or violating any rule, regulation, subpoena, or order of the Superintendent. Pursuant to 10 M.R.S. § 8003(5)(B), the Superintendent may resolve a complaint by entering into a consent agreement with a licensee and with the agreement of the Attorney General.

## **FACTS**

4. On May 16, 2012, Mr. Preston entered into a Letter of Acceptance, Waiver and Consent (“AWC”) with the Financial Industry Regulatory Authority (“FINRA”) for participating in a private securities transaction without prior written notice to, or obtaining prior written approval from, his employer member firm. He also borrowed money from one of his customers as part of this transaction which was not permitted by his employer member firm. Mr. Preston was fined \$7,500 and suspended from association with any FINRA member in any capacity for three months and ten days.

5. On January 25, 2013, Mr. Preston signed a Consent Order with the Maine Office of Securities (Consent Order number 11-7752)(“Consent Order”) related to the same transaction and loan that were the subject of the AWC. As part of the Consent Order, Mr. Preston agreed to pay a civil fine of \$5,000 to the Office of Securities. Mr. Preston further agreed that if he obtained a license as an agent, investment adviser, or investment adviser representative in the future, the license would be made subject to a variety of outlined conditions and restrictions for a period of two years from the date of such licensure. The Consent Order was executed when signed by the Securities Administrator on January 28, 2013.

6. As of January 23, 2014, Mr. Preston has failed to report either the AWC or the Consent Order to the Maine Bureau of Insurance by direct communication with the Bureau, posting the Consent Order to the National Insurance Producer Registry warehouse, or by any other means.

## **APPLICABLE LAW**

7. Title 24-A M.R.S. § 1420-K(1)(B) provides that the Superintendent may 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 section 12-A, or take any combination of such actions, for violating any insurance laws, or violating any rule, regulation, subpoena or order of the superintendent or of another state’s insurance commissioner.

8. Title 24-A M.R.S. § 1419 provides that a licensee shall report to the Superintendent any administrative action taken against the licensee in another jurisdiction or by another governmental agency in this State within 30 days of the final disposition of the matter.

## **COVENANTS**

9. Mr. Preston admits to the Facts as stated above and admits that these Facts constitute a basis for imposing discipline upon him due to his failure to advise the Bureau of Insurance in a timely fashion about the 2012 AWC he entered into with FINRA and the 2013 Consent Order he entered into with the Maine Office of Securities.

10. Mr. Preston agrees to the imposition of a civil penalty in the amount of Two Hundred Dollars (\$200.00) which Mr. Preston will remit to the Maine Bureau of Insurance at the time of returning this signed agreement. Payment shall be by check or money order made out to "Treasurer, State of Maine."

11. Mr. Preston will promptly report any matters to the Bureau of Insurance during all times that he is licensed by the Bureau, to the extent such reporting is required under the Maine Insurance Code, and will comply in all other respects with the provisions of the Maine Insurance Code, as applicable.

12. Nothing in this Agreement shall affect the rights or interests of any person who is not a party to this Agreement.

13. In consideration of Mr. Preston's execution of and compliance with the terms of this Consent Agreement, the Superintendent and Attorney General agree to forgo pursuing against Mr. Preston any further disciplinary measures or other civil or administrative sanctions available under the Maine Insurance Code concerning the specific conduct described in this Consent Agreement, other than those agreed to herein. However, should Mr. Preston violate any provision of this Consent Agreement, he may be subject to any available remedy for the violation. Mr. Preston further acknowledges and agrees that, upon execution of this Consent Agreement, each of the Covenants herein shall constitute an order of the Superintendent.

14. This Consent Agreement is enforceable by an action in Maine Superior Court.

15. This Consent Agreement is not subject to appeal. Mr. Preston waives any further hearings or appeals regarding the matters that are the subject of this Consent Agreement.

16. This Consent Agreement may be modified only by a written agreement executed by all of the parties hereto. Any decision to modify, continue, or terminate any provision of this Consent Agreement rests in the discretion of the Superintendent and the Attorney General.

17. This Consent Agreement is a public record subject to the provisions of the Maine Freedom of Access Law, 1 M.R.S. §§ 401 through 410, will be available for public inspection and copying as provided for by 1 M.R.S. § 408, and will be reported to the Regulatory Information Retrieval System database at the National Association of Insurance Commissioners.

18. Mr. Preston agrees that he has read this Consent Agreement, that he understands this Consent Agreement, that he has reviewed the statutory provisions set forth herein, that he understands his right to consult with counsel before signing this Consent Agreement, and that he enters into this Consent Agreement voluntarily and without coercion of any kind from any person.

**RICHARD W. PRESTON**

Dated: 2/21, 2014

By:   
Richard W. Preston

**THE MAINE SUPERINTENDENT OF  
INSURANCE**

Dated: March 5, 2014

By:   
Eric A. Cioppa  
Superintendent of Insurance

**THE MAINE OFFICE OF THE  
ATTORNEY GENERAL**

Dated: March 5, 2014

By:   
Jonathan R. Bolton  
Assistant Attorney General