

STATE OF MAINE
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION
BUREAU OF INSURANCE

In re:

JAMES A. PHILBROOK
National Producer No. 607377

Docket No. INS-13-219

**LICENSE REVOCATION
NOTICE, ORDER,
and
OPPORTUNITY FOR
HEARING**

NOTICE TO JAMES A. PHILBROOK:

Effective as of **January 24, 2014**, your Maine nonresident insurance producer license will be **REVOKED** without further formal proceedings unless you request a hearing as specified below.

The reasons for license revocation are as follows:

1. You were convicted in Maine Superior Court on November 2, 2012 of one count of theft by misapplication of property and one count of securities fraud in *Maine v. Philbrook*, HOUSC-CR-2011-0010 (Me. Sup. Ct. Aro. Cty., Nov. 2, 2012). You were sentenced to eight years of incarceration (with all but three years suspended and credit for time served), followed by a three-year term of probation, and ordered to pay \$195,000 in restitution. The judgment was affirmed by the Maine Supreme Judicial Court, in *Maine v. Philbrook*, 2013 ME 86 (Oct. 10, 2013).
2. The conviction related to your offer and sale of securities to a retired couple in Aroostook County. You misrepresented to the couple that you made investments on their behalf in a pay-per-view television event and a college-funding business venture, but in fact did not invest their money and instead diverted their money for your own personal use.
3. As the result of this felony conviction arising out of the conduct of the business of a broker or dealer, the United States Security and Exchange Commission has barred you from the securities industry by Initial Decision dated November 26, 2013 (File No. 3-15575).
4. Title 24-A M.R.S. § 1420-K(1)(H) provides that the Superintendent may revoke an insurance producer's license for using fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or

financial irresponsibility in the conduct of business in this State or elsewhere.

5. Your convictions for theft by misapplication of property and for securities fraud, and your bar from the securities industry, establish grounds for revoking your producer's license pursuant to 24-A M.R.S. § 1420-K(1)(H).
6. On January 6, 2011, you were indicted in Maine on the two criminal counts for which you were eventually convicted.
7. You failed to report the criminal prosecution to the Maine Superintendent of Insurance as required by 24-A M.R.S. § 1420-P(2), which also constitutes grounds for revocation of your Maine license under 24-A M.R.S. § 1420-K(1)(B), for violating insurance laws.
8. You were first licensed as a nonresident producer in Maine in 1973. You allowed your Maine license to terminate on May 18, 2012, when you failed to provide written information that you were currently licensed and in good standing in your home state, New Hampshire.
9. Title 24-A M.R.S. § 1417(3) provides that the Superintendent may, after notice and opportunity for a hearing, deem the license suspended or revoked of a previously licensed person who voluntarily surrendered an insurance license.

Therefore, based upon the above grounds, your Maine insurance producer license is **revoked** as of **January 24, 2014** pursuant to 24-A M.R.S. §§1417 and 1420-K, subject to your right to request a hearing.

Under the Maine Insurance Code, specifically 24-A M.R.S. §1417 and §1420-K, you have the right to a hearing before the Superintendent or his designee. If you request a hearing, you will have the right to present evidence and arguments in your defense, and the staff of the Bureau of Insurance will bear the burden of proving each violation by a preponderance of evidence.

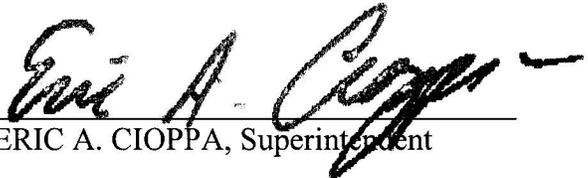
If you request a hearing, you will receive further communication regarding scheduling. The matters to be determined through the hearing process are whether you committed one or more of the violations listed above, and if so, the appropriate sanctions for those violations. The sanctions imposed after a hearing can include any available remedy under applicable laws, including the payment of civil penalties.

To request a hearing, you must notify the Bureau of Insurance in writing no later than January 24, 2014. If you do not file a written request for a hearing within 30 days from the time you know or reasonably should have known of the intended

revocation of your license, you will lose your right to request a hearing on this matter, and your license revocation will be final and entered into Bureau records, in accordance with this Notice and Order.

Any request for a hearing, as well as all other communications regarding this Notice, Order, and Opportunity for Hearing must be addressed to Bureau staff Attorney Dyan M. Dyttmer, Bureau of Insurance, #34 State House Station, Augusta, ME 04333-0034. You may also reach Attorney Dyttmer by e-mail at dyan.dyttmer@maine.gov or telephone at 207 624-8402.

December 19, 2013


ERIC A. CIOPPA, Superintendent