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COMMISSION OF INSURANCE
INSURANCE DIVISION OF IOWA

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF STARRLA RAMAE NORMAN, NPN 5023518, CRD No. 2605360, DOB 11/3/XXXX, Respondent.	)	Division Case No. 122830 **ORDER AND CONSENT TO ORDER**

COMES NOW the Iowa Insurance Division ("Division") and by the consent of Respondent Starrla Ramae Norman, pursuant to the provisions of Iowa Code chapter 507B—Insurance Trade Practices, Iowa Code chapter 522B—Licensing of Insurance Producers, Iowa Administrative Code chapter 191—15 Unfair Trade Practices, Iowa Administrative Code chapter 191—16 Replacement of Life Insurance and Annuities, and Iowa Code chapter 502—Iowa Uniform Securities Act, the Commissioner enters the following Order and Consent to Order ("Consent Order"):

I. PARTIES AND JURISDICTION

1. The Commissioner of Insurance, Douglas M. Ommen, directly and through his designees, administers and enforces Iowa Code chapters507B—Insurance Trade Practices, Iowa Code chapter 522B—Licensing of Insurance Producers, Iowa Administrative Code chapter 191—15 Unfair Trade Practices, Iowa Administrative Code chapter 191—16 Replacement of Life Insurance and Annuities, and Iowa Code chapter 502—Iowa Securities Act pursuant to Iowa Code §§ 505.8 and 502.601.

2. Starrla Norman ("Norman") is an individual with a last-known residence address of 16315 County Rd. 460, Dexter, Missouri 63841.

3. Norman was licensed in the state of Iowa as a nonresident insurance producer from July 30, 2018, until her license expired on November 30, 2024. She is licensed under National Producer Number 5023518.

4. Pursuant to Iowa Code § 522B.11(5), the Commissioner may enforce the provisions of Iowa Code chapter 522B and chapter 507B "against any person who is under investigation for, or charged with, a violation of either chapter even if the person's license has been surrendered or has lapsed by operation of law."

5. Respondent was registered as a securities agent with the Financial Industry Regulatory Authority ("FINRA") between April 14, 1999, and June 7, 2007, when she resigned after a determination that she failed to comply with company policies. She was assigned Central Registration Depository ("CRD") number 2605360. Prior to her resignation, Respondent was registered to do business in the states of Missouri and Tennessee.

6. Pursuant to Iowa Code § 502.412(4)(b), a person may be disciplined for violations of Iowa Code chapter 502 or any rules adopted pursuant thereto that have occurred within the previous ten years.

7. Pursuant to Iowa Code §§ 505.28 and 502.604, Respondent consented to the jurisdiction of the Commissioner of Insurance by committing acts governed by chapters 507B, 522B, and 502.

8. From on or about November 2019 to present, Norman engaged in acts and practices within the state of Iowa constituting cause for probation, suspension, or revocation of her insurance producer license; revocation, suspension, condition, limitation, or bar of her securities registrations; cease and desist orders; civil penalties; restitution; costs of the investigation and

prosecution or other relief under Iowa Code chapters 502, 505, 507B, 522B, and rules adopted pursuant to these chapters.

9. Norman voluntarily agrees to the entry of this Consent Order for purposes of facilitating settlement of this matter.

II. FINDINGS OF FACT

10. Norman applied for a nonresident insurance producer license with the Division by submitting a Uniform Application for Individual Producer License ("Uniform Application") through the National Insurance Producer Registry. In submitting the Uniform Application, Norman designated the Commissioner as an agent for service of process.

11. The Division issued Norman a license as a nonresident insurance producer on July 30, 2018. Norman was assigned National Producer Number 5023518.

12. Norman is not and has never been registered in Iowa as a securities agent, investment adviser, or investment adviser representative. She was registered as a securities agent in Missouri, Arkansas, Tennessee, and Kentucky for various periods of time between 1999 and 2007 under CRD No. 2605360. On July 25, 2008, FINRA suspended her securities license for a period of six months and issued her a $5,000.00 fine via an Acceptance, Waiver, and Consent agreement for failing to comply with her company's policies by engaging in outside business activities for compensation without written notification to her company. Norman's fine was paid on May 10, 2015.

13. During the events described herein, Norman was appointed with Allianz Life Insurance Company of North America ("Allianz"), Fidelity & Guaranty Life Insurance Company ("F&G"), and Athene Annuity and Life Assurance Company ("Athene"). She currently has no appointments in Iowa.

Iowa Consumer L.J.

14. At all times relevant hereto, L.J. was a resident of Iowa.

15. L.J. is a retired postmaster who had invested retirement funds in a Thrift Savings Plan ("TSP") for federal employees. Federal employees like L.J. who invest in the TSP can allocate their investment money between six different types of funds, almost all of which include securities. L.J. has very little knowledge or experience in investing or retirement planning.

16. L.J. attended one of Norman's financial presentations at an industry gathering for postal workers.

17. The presentations from Norman and other financial professionals at these postal worker gatherings led L.J. to believe that her TSP would change in such a way that the earning potential and benefits would decrease after she reached after age 59.5 and that funds she had invested in her TSP should be withdrawn and moved elsewhere. Aside from her TSP, L.J. had no other significant retirement savings or investments.

18. After meeting with L.J. and reviewing copies of L.J.'s TSP account statements, Norman recommended that L.J. cash out the entirety of her TSP, which included securities, so that L.J. could purchase an Athene annuity through Norman.

19. On or about November 20, 2019, Norman assisted L.J., who was then age 61, in completing an application for a single premium immediate fixed indexed annuity from Athene by filling in all requested information on said application and accompanying forms.

20. On these Athene forms, Norman significantly inflated and misrepresented L.J.'s monthly household gross income as being $10,000.00 when, in reality, it was approximately $7,000.00.

21. On these Athene forms, Norman significantly inflated and misrepresented L.J.'s net worth, excluding home and automobiles, as being $1,075,000.00, when, in reality, it was

approximately $311,000.00, which included L.J.'s TSP account, worth approximately $236,000.00.

22. On these Athene forms, Norman significantly inflated and misrepresented L.J.'s liquid assets available after annuity purchase as being $350,000.00, when, in reality, her liquid assets were less than $10,000.00.

23. Norman did not explain the application and suitability questions or review the information she had filled in on these documents with L.J. before having L.J. sign the application documents.

24. On December 3, 2019, Athene issued an annuity to L.J. with a fifteen-year surrender and bonus vesting period. This annuity contract included a liquidity rider for which there was an annual rider charge rate of 0.95% and a rider charge period of fifteen years. The liquidity rider contained a return-of-premium provision, which guaranteed that, after the four-year contract anniversary, if L.J. were to surrender the contract early, she would receive at least as much as she paid for the premium, even if surrender fees and market value adjustments normally applied would reduce the net distribution value below the premium amount.

25. L.J. paid a premium of $236,484.91 for the Athene annuity at the time the policy was issued based on the recommendations and advice from Norman for L.J. to withdraw the entirety of her TSP funds to fund this annuity.

26. Norman earned $15,481.82 in commissions from the sale of the Athene annuity to L.J.

27. Less than a month after the Athene annuity was issued, L.J. made her first withdrawal request of $15,000.00 on December 20, 2019. Between December 20, 2019, and March 16, 2023, during which time her husband died and she became the caretaker for her ailing parents, L.J. made seven withdrawals from her Athene annuity, totaling $123,168.73 in gross

distributions. Those withdrawals were not recommended by Norman, nor did Norman receive any compensation for the withdrawals. However, as agent of record for L.J.'s Athene annuity contract, Norman had access to this information.

28. In or around July of 2023, Norman contacted L.J. to inform her of an annuity policy offered by Allianz that offered a 25% bonus. Norman recommended that L.J. fully surrender her Athene annuity and use the surrender proceeds to purchase an Allianz annuity.

29. Norman did not explain that this bonus only bolstered the contract value for purposes of calculating monthly lifetime income rider payments and did not actually result in a 25% increase in her premium or accumulation value.

30. In making this recommendation, Norman did not provide L.J. with a comparison of the current Athene annuity and the recommended Allianz annuity, nor did Norman provide L.J. with any illustration.

31. Both the Athene and Allianz annuities Norman sold to L.J. were fixed indexed annuities, and, with the exception of the income rider proposed by Norman for the Allianz annuity, these annuities were substantially similar to one another.

32. Norman informed L.J. that the surrender of the Athene annuity would involve a surrender fee, but Norman did not specify the amount. Norman only told L.J. that the bonus from the Allianz annuity would make up for the Athene surrender charge.

33. L.J. intended and understood that the Allianz annuity would replace the Athene annuity, and that the proceeds from the surrender of the Athene annuity would fund the Allianz annuity purchase.

34. Norman knew that L.J.'s Allianz annuity would replace her Athene annuity, and that the proceeds from the surrender of the Athene annuity would fund the Allianz annuity.

35. On August 2, 2023, Norman called Athene requesting a surrender form for L.J.'s Athene annuity contract.

36. That same day, Norman filled out and submitted an application and accompanying forms for a new Allianz annuity on behalf of L.J.

37. On these Allianz forms, Norman significantly inflated and misrepresented L.J.'s gross monthly household income as being $8,000.00 when, in reality, it was approximately $3,000.00.

38. On these Allianz forms, Norman significantly inflated and misrepresented L.J.'s net worth, excluding residence and personal belongings, as being $984,000.00, when, in reality, it was approximately $200,000.00, which included the approximate $100,000.00 surrender value of the Athene annuity.

39. On these Allianz forms, Norman significantly inflated and misrepresented L.J.'s liquid assets available after annuity purchase as being $175,000.00, when, in reality, her liquid assets were approximately $1,000.00.

40. Despite knowing that the Allianz annuity was a replacement, Norman did not disclose this transaction as a replacement on the relevant Allianz application paperwork.

41. Instead, Norman misrepresented the source of funds as stocks, bonds, and mutual funds and represented that this transaction was not a replacement.

42. Norman arranged for L.J.'s Allianz application forms to be signed electronically through Allianz's FireLight electronic signature system.

43. In making these electronic signature arrangements, Norman had to specify to Allianz whether she would be "on-site" with L.J. at the same location during the signing ceremony, or whether it would be a "remote" signing ceremony with Norman and L.J. being in different

locations, in which case L.J. would receive emails from Allianz/FireLight with instructions and links to facilitate L.J.'s participation in the electronic signing ceremony.

44. The FireLight Packet Audit Report ("FireLight Report") associated with L.J.'s Allianz annuity application materials indicates that Norman arranged for an "on-site" signing ceremony, which took place on August 2, 2023.

45. L.J. did not participate in any on-site or remote electronic signing ceremony for the Allianz annuity application. L.J., at all times relevant hereto, lived in Creston, Iowa. L.J. never met with Norman in person regarding her Allianz annuity application, nor did she ever meet with Norman in Missouri for any purpose at any time.

46. L.J.'s Allianz annuity application forms were purportedly acknowledged and signed electronically by both L.J. and Norman.

47. However, electronic signature data from L.J.'s FireLight Report shows that both Norman's and L.J.'s electronic signatures were submitted within two minutes of each other from the same IP address, which Allianz determined to be located in or near Sikeston, Missouri, a town in southeast Missouri that is approximately twenty-five miles from Norman's address of record in Dexter, Missouri.

48. L.J.'s FireLight Report shows that the owner signing ceremony, purportedly involving L.J., took thirty-seven seconds to complete from beginning to end.

49. During that thirty-seven second timespan, all required Allianz annuity application documents and forms were purportedly reviewed, acknowledged, and/or signed by L.J., including, but not limited to:

a. An Allianz Benefit Control Annuity application form, on which Norman represented that the Allianz annuity would not be a replacement;

b. An Annuity Purchase Acknowledgement, containing owner and annuitant information, beneficiary designation information, verification of existing policies or contracts and purported replacement status, and a summary of allocation selection and product features;

c. An agent disclosure for annuities, disclosing the types of products Norman was licensed to sell, the number of insurers with which she was appointed, and the fact that she would be paid by commission from the insurer;

d. A withdrawal election form, specifying frequency, amount, and start date of withdrawals, as well as tax withholding and payment instructions;

e. A Financial Professional's Report, on which Norman stated that an illustration had been provided to L.J.;

f. A Preliminary Contract Summary, describing how the annuity works, annuity values, interest, bonuses, costs, withdrawals and distribution, income, taxes, and death benefits;

g. The Important Notice: Replacement of Life Insurance or Annuities form, on which Norman indicated L.J. was not surrendering an existing policy or contract and that L.J. was not using funds from an existing policy or contract to pay premiums on the new annuity; and

h. The Consumer Profile Form, on which Norman inflated L.J.'s income, net worth, and liquid assets as described above, represented that the Allianz annuity would not be a replacement, and represented that the source of funds for the Allianz annuity was stocks, bonds, and mutual funds.

50. The FireLight Report shows that the agent signing ceremony involving Norman began five seconds after the owner signing ceremony concluded and took twenty-five seconds to complete from beginning to end, during which time those same documents described in the immediately preceding paragraph were displayed, acknowledged, and/or signed by Norman.

51. L.J. was not given an opportunity to review the Allianz application forms or to acknowledge or sign them before Norman submitted them electronically to Allianz.

52. Norman filled in the Athene surrender form for L.J. and mailed only the signature page of the surrender form to L.J. for L.J. to sign and return to her. On August 6, 2023, L.J. signed the Athene surrender form signature page and mailed it back to Norman.

53. Norman submitted the entire surrender form to Athene by fax on August 9, 2023. On this form, Norman specifically instructed Athene to send the surrender proceeds directly to L.J. by check via Federal Express.

54. After subtracting the partial withdrawals made by L.J., her Athene annuity had a gross distribution value of $145,544.04 as of August 10, 2023.

55. By surrendering the Athene annuity contract less than four years into a fifteen-year surrender period, L.J. incurred significant surrender fees and market value adjustments totaling $44,954.00. The net surrender payment amount of $100,588.04 was calculated based on a gross distribution of $145,544.04, with $37,649.44 subtracted as a surrender fee, and another $7,306.56 subtracted for a market value adjustment.

56. Norman did not advise L.J. of the specific surrender fees and negative market value adjustments prior to submitting the surrender request to Athene.

57. On August 10, 2023, Athene processed L.J.'s annuity surrender and issued a check to L.J. for $100,588.04.

58. The premium L.J. paid for the Allianz annuity was $100,588.04, and the Allianz annuity contract became effective on October 17, 2023.

59. Norman earned $7,996.75 in commissions from the sale of the Allianz annuity to L.J.

60. On June 7, 2024, Division investigators interviewed Norman at the Division's office. Norman was accompanied by her attorney. During this interview with Division investigators, Norman acknowledged that she misrepresented the source of funds and replacement status on L.J.'s Allianz annuity application.

Iowa Consumer N.H.

61. At all times relevant hereto, N.H. was a resident of Iowa.

62. N.H. is a retired postmaster who had invested retirement funds in the TSP for federal employees. Federal employees like N.H. who invest in the TSP can allocate their investment money between six different types of funds, almost all of which include securities.

63. N.H. has very little knowledge or experience in investing or retirement planning.

64. On November 9, 2022, N.H. signed an annuity application for Nassau Life and Annuity Company ("Nassau"). N.H. funded this annuity with $450,893.31 that she withdrew from her TSP. N.H.'s Nassau annuity was a ten-year contract, from which she could withdraw 10% per year penalty free. On January 10, 2023, Nassau issued a single premium individual deferred fixed indexed annuity contract to N.H.

65. Norman was not the agent of record, or involved in any way, in the sale of the Nassau annuity.

66. N.H. became acquainted with Norman from Norman making financial presentations at professional gatherings of postal workers. During these presentations, Norman encouraged current and/or former postal employees to liquidate portions or the entirety of their TSP accounts, including securities, in order to fund annuities sold by Norman.

67. N.H. began having second thoughts about placing the entirety of her withdrawn TSP funds in the Nassau annuity. In or around November of 2023, because of her familiarity with

Norman from Norman's financial presentations, N.H. contacted Norman regarding the possibility of purchasing an annuity through Norman. Norman recommended that N.H. partially surrender her Nassau annuity to fund an Allianz single premium fixed indexed annuity, despite the fact that the Nassau annuity contract was less than one year old.

68. N.H. told Norman that she was interested in the Allianz annuity because she wanted to be able to have access to funds, approximately $15,000.00-$20,000.00, for occasional gifts and expenses approximately once a year, and she was interested in a product that would allow her to do that.

69. N.H. was unaware that her Nassau annuity allowed for penalty-free withdrawals of ten percent per year.

70. Norman did not inform N.H. that she could take ten percent of her funds out of the Nassau annuity penalty-free annually, nor did she suggest that N.H. explore whether this or any other penalty-free income or withdrawal options were available through the existing Nassau annuity.

71. On November 20, 2023, N.H. called Nassau with Norman also on the phone to assist N.H. in requesting a partial surrender. Specifically, N.H. was interested in withdrawing $225,000.00 from her Nassau annuity, which was approximately half of the single premium N.H. had paid for her Nassau annuity the year prior.

72. While on the phone, Norman told Nassau that N.H. was not requesting a direct transfer rollover, but rather a "distribution," with Norman stating that the requested funds, $225,000.00, should be sent to N.H. directly so that they could eventually do a 60-day rollover into a product at Allianz.

73. Nassau emailed the Partial Surrender/Withdrawal Request forms to both N.H. and Norman shortly after the call.

74. The November 20, 2023, phone call was recorded by Nassau.

75. In discussing a potential annuity purchase from Allianz, N.H. was aware that there would be an approximately $21,000.00 surrender fee if she were to withdraw funds from her Nassau annuity to fund an Allianz annuity.

76. However, Norman told N.H. that the surrender fee would be offset by a 40% bonus N.H. would receive from the new Allianz annuity.

77. Norman did not explain that this bonus only bolstered the contract value for purposes of calculating lifetime income rider payments and did not actually result in a 40% increase in her premium or accumulation value. Norman also did not explain that N.H. would not benefit from this bonus unless and until N.H. began taking lifetime income payments, which could not begin until the annuity's ten years anniversary date passed.

78. In recommending the annuity purchase from Allianz, Norman emphasized that the Allianz annuity she was recommending included an income rider, which she said would provide N.H. with funds she could use for gifts.

79. Both the Nassau and Allianz annuities were fixed indexed annuities, and, with the exception of the income rider proposed by Norman for the Allianz annuity, these annuities were substantially similar to one another.

80. Norman did not provide N.H. with an Iowa-specific illustration when recommending the Allianz annuity because Allianz did not provide Iowa illustrations at that time. Instead, despite N.H. being an Iowa resident, Norman used a Missouri illustration and only provided N.H. one out of nineteen pages of that illustration.

81. In discussing a potential Allianz annuity purchase, Norman did not provide N.H. with a comparison of the Nassau annuity and the recommended Allianz annuity.

82. On November 21, 2023, Norman filled out and submitted N.H.'s application and accompanying forms for an Allianz annuity. Norman and N.H. were not in the same physical location at the time these application materials were submitted, but, per the electronic signature FireLight Report from Allianz for N.H's application documents, N.H's electronic signature ceremony was conducted under circumstances similar to those surrounding L.J.'s electronic signature ceremony described above in paragraphs 42 through 51. Those circumstance included Norman arranging for an "on-site" electronic signing ceremony despite Norman and N.H. being in different locations, Norman completing and submitting N.H.'s portion of the ceremony, including purported review, acknowledgment, and/or signature on numerous documents by N.H. in under one minute, and Norman completing and submitting both the applicant's and agent's portions of the ceremony from the same IP address associated with the Norman's geographical location in Missouri, despite N.H being in Iowa at the time. Norman's actions prevented N.H. from having the opportunity to actually review these application documents prior to their submission.

83. N.H. intended and understood that the Allianz annuity would partially replace her Nassau annuity and that the proceeds from the partial surrender of the Nassau annuity would be used to purchase the Allianz annuity.

84. Norman knew that N.H.'s partial annuity surrender from Nassau was for the specific purpose of purchasing a replacement annuity from Allianz when she completed the Allianz application and submitted it to Allianz on November 21, 2023.

85. At the time of N.H.'s annuity application submission, Allianz's suitability guidelines stated that any annuity application involving a replacement submitted within one year of the original annuity's purchase date would be declined.

86. Norman disregarded the details and terms of the Nassau annuity product she was advising N.H. to partially surrender, including the fact that the Nassau annuity contract was not yet one year old.

87. On or about November 22, 2023, N.H. signed forms requesting a partial surrender of her Nassau annuity in the amount of $225,000.00. After subtracting the surrender fee of $21,589.28, Nassau direct deposited $203,410.72 into N.H.'s personal checking account on November 29, 2023.

88. On or about December 1, 2023, N.H. wrote a check in the amount of $203,410.72 to Allianz for the purchase of the applied for annuity. Per Norman's instructions, N.H. included her Allianz annuity contract number and the notation "60 day traditional IRA rollover" on the memo line of this check.

89. In preparing the Allianz annuity application for N.H., Norman never disclosed this transaction as a replacement on the relevant application paperwork.

90. Instead, Norman represented the source of funds as stocks, bonds, and mutual funds and represented that this transaction was not a replacement.

91. Allianz issued an annuity contract to N.H. on December 4, 2023, approximately one month before the one-year anniversary date of the Nassau annuity, at which time N.H. could have benefited from index interest credits calculated annually on the policy anniversary date.

92. During Norman's June 7, 2024, interview with Division investigators, Norman denied knowing that the source of funds for N.H.'s Allianz annuity was the partial surrender of the

Nassau annuity, claimed that she believed the source of funds was stocks, bonds, or mutual funds, and denied knowing the company from which the source of funds was coming.

93. When the Division investigators informed Norman that the Division has a recording of Norman and N.H. on a phone call with Nassau in which Norman requests the Nassau surrender forms on behalf of N.H., Norman admitted that she was aware that the source of funds for N.H.'s Allianz annuity was from a partial surrender of N.H.'s Nassau annuity. Norman also admitted that she had misrepresented the source of funds and the fact that the Allianz annuity was a replacement on N.H.'s Allianz application.

94. When asked whether she had submitted false information regarding the replacement status of the applied-for annuity to Allianz on N.H.'s Allianz application, Norman stated, "I guess. I guess I did."

95. Norman further admitted that, at her request, Nassau had emailed a copy of its surrender form directly to her and that she helped N.H. complete the Nassau surrender form.

96. After being informed of the Nassau call recording and questioned about the replacement and source of funds misrepresentations in N.H.'s Allianz annuity application and suitability forms, Norman told investigators that she was leaving the interview. A Division investigator informed Norman that leaving the interview would be viewed as noncooperation by the Division and that the Division would subpoena Norman to facilitate another interview if she left. After a short break and discussion with her attorney, Norman continued with the investigators' interview.

97. In a written statement to Allianz dated June 14, 2024, seven days after her interview with the Division, Norman stated that N.H. told her that the source of funds for the Allianz annuity was a "variable account" and that N.H. "did not want her money in the market."

98. Because of the unreported replacement and the other circumstances described above, N.H. was able to unwind this transaction, move her Allianz annuity funds back to Nassau, and recover all surrender charges and fees.

99. Norman earned $13,221.70 in commissions from the sale of the Allianz annuity to N.H. The commissions generated by the sale of the Allianz annuity to N.H. have been recovered by Allianz via chargebacks.

Iowa Consumer T.H.

100. At all times relevant hereto, T.H. was a resident of Iowa.

101. T.H. is a retired postmaster who had invested retirement funds in a TSP for federal employees.

102. T.H. attended one of Norman's financial presentations at an industry gathering for postal workers.

103. Based on advice from Norman, T.H. liquidated her TSP, which included securities, to fund the purchase of an annuity through Norman.

104. On September 5, 2018, on Norman's recommendation and with her assistance, T.H. submitted an application for a fixed indexed annuity to Athene, with Norman listed as the producer of record.

105. On September 21, 2018, Athene issued an annuity with a fifteen-year surrender and bonus vesting period to T.H.

106. This annuity contract included a liquidity rider for which there was an annual rider charge rate of 0.95% and a rider charge period of fifteen years. The liquidity rider contained a return-of-premium provision, which guaranteed that, after the four-year contract anniversary, if T.H. were to surrender the contract early, she would receive at least as much as she paid for the

premium, even if surrender fees and market value adjustments normally applied would reduce the net distribution value below the premium amount.

107. T.H. paid a premium of $336,377.21 for the Athene annuity, and the source of funds entirely came from the liquidation of T.H.'s TSP account.

108. On Norman's recommendation, T.H. purchased this Athene annuity to diversify her retirement investments, and T.H. did not plan to touch the funds in the annuity for five to ten years.

109. Norman told T.H. that a bonus would be paid if T.H. kept the Athene annuity policy in place for the term of the contract, and that was one of the factors that contributed to T.H.'s decision to purchase the Athene annuity.

110. Norman received $21,864.52 in commissions for her sale of the Athene annuity to T.H.

111. In or around September of 2022, Norman contacted T.H. to inform her of an annuity offered by Allianz that purportedly offered a 35% bonus and would earn more money than the current Athene annuity. Norman recommended T.H. surrender her Athene annuity and use the proceeds to purchase the Allianz annuity.

112. Norman told T.H. that the surrender of the Athene annuity would involve a surrender fee, but she told T.H. that the bonus from the Allianz annuity would make up for the surrender charges incurred.

113. T.H. understood that the Allianz annuity would replace the Athene annuity, and that the funds from the surrendered Athene annuity would be used to purchase the Allianz annuity.

114. In discussing a potential Allianz annuity purchase, Norman did not provide T.H. with a comparison of the current Athene annuity and the recommended Allianz annuity.

115. On September 13, 2022, Norman submitted surrender request forms to Athene on behalf of T.H. via Norman's business fax line.

116. Athene initially delayed processing the surrender request because the four-year policy anniversary date of September 21, 2022, was approaching.

117. After the anniversary date, T.H. would significantly benefit from the return-of-premium provision of her contract, causing her to incur lower surrender fees, as well as the index interest credits that would be calculated on the anniversary date.

118. Because of this imminent anniversary date, Athene attempted to reach out to T.H. regarding this issue before processing the surrender, which delayed the processing of the surrender.

119. Norman did not discuss the financial significance of the upcoming anniversary date with T.H., despite Norman being the agent of record on the Athene contract.

120. Also on September 13, 2022, Norman filled out and submitted T.H.'s application and accompanying forms for an Allianz annuity. Norman and T.H. were not in the same physical location at the time these application materials were submitted, but, per the electronic signature FireLight Report from Allianz for T.H's application documents, T.H's electronic signature ceremony was conducted under circumstances similar to those surrounding L.J.'s electronic signature ceremony described above in paragraphs 42 through 51. Those circumstance included Norman arranging for an "on-site" electronic signing ceremony despite Norman and T.H. being in different locations, Norman completing and submitting T.H.'s portion of the ceremony, including purported review, acknowledgment, and/or signature on numerous documents by T.H. in under one minute, and Norman completing and submitting both the applicant's and agent's portions of the ceremony from the same IP address associated with the Norman's geographical

location in Missouri, despite T.H being in Iowa at the time. Norman's actions prevented T.H. from having the opportunity to actually review these application documents prior to their submission.

121. Norman did not provide T.H. with an Iowa-specific illustration. Instead, while presenting the Allianz annuity to T.H., Norman provided an illustration specifically for Missouri residents, despite T.H. being an Iowa resident.

122. Norman did not provide T.H. with all the pages of the Missouri illustration.

123. On September 19, 2022, Norman called Athene on a recorded line to inquire as to the status of T.H.'s annuity surrender. Norman questioned the delay in processing the surrender request until the Athene representative informed Norman of the upcoming September 21, 2022, anniversary date and explained the impact of that anniversary date.

124. On September 22, 2022, Norman submitted another surrender request to Athene for T.H.'s annuity contract.

125. At the time of T.H.'s surrender, her Athene annuity had gross value of $368,135.25.

126. By surrendering the Athene annuity contract four years into a fifteen-year surrender period, T.H. incurred significant surrender fees and market value adjustments totaling $31,758.04. After subtracting the surrender fee, the net payment amount was $336,377.21.

127. On September 23, 2022, Athene processed T.H.'s annuity surrender and issued T.H. a check in the amount of $336,377.21.

128. The premium T.H. paid for the Allianz annuity was $336,377.21, and the Allianz annuity contract was issued on October 6, 2022.

129. Norman earned $26,741.99 in commissions from the sale of the Allianz annuity to T.H.

130. During the June 7, 2024, interview with Division investigators, Norman acknowledged that she misrepresented the source of funds and replacement status on T.H.'s Allianz annuity application.

III. CONCLUSIONS OF LAW

COUNT I
Suitability – Athene Annuity

131. 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.

132. 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.

133. Iowa Code § 507B.4B(1) states:

> 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.

134. The Commissioner promulgated annuity suitability regulations in Iowa Administrative Code chapter 191—15, entitled "Unfair Trade Practices." These regulations were amended, effective January 1, 2021, to remain current with changes made to NAIC model law #275, the

Suitability in Annuity Transactions Model Regulation. The regulations in effect prior to January 1, 2021, which govern Norman's sale of the Athene annuity to L.J., provided:

> **15.75(1)** 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.
>
> **15.75(2)** Prior to the execution of a purchase, exchange or replacement of an annuity resulting from a recommendation, an insurance producer, or an insurer where no producer is involved, shall make reasonable efforts to obtain the consumer's suitability information.

Iowa Administrative Code rule 191—15.75 (2019).

135. In regard to L.J.'s 2019 Athene annuity purchase, Norman either failed to reasonably obtain L.J.'s particular suitability information, including but not limited to her income, net worth, retirement savings, insurance needs, liquidity needs, and financial objectives to be able to make suitable recommendations to L.J. regarding the Athene annuity, or Norman disregarded this information when filling out L.J.'s Athene annuity application and suitability forms.

136. Norman significantly inflated and misrepresented L.J.'s financial status on the Athene annuity application and suitability forms, including monthly household gross income, approximate household net worth, and available liquid assets after annuity purchase, to portray the Athene annuity as suitable for L.J. and obtain approval of the Athene annuity application.

137. Norman did not reasonably or adequately inform L.J. of various features of the recommended Athene annuity, including but not limited to the surrender period, surrender charges and potential tax penalties that would result from early surrender of any portion of the annuity.

138. Given Norman's knowledge and/or disregard of L.J.'s actual suitability information, Norman's significant misrepresentations of John's suitability information on the Athene annuity application and suitability forms, and Norman's failure to reasonably and adequately inform L.J.

of the various features of the recommended annuity, Norman had no reasonable grounds to believe that the Athene annuity was suitable for L.J.

139. Norman's acts and practices violated of Iowa Code §§ 507B.3, 507B.4B, and Iowa Administrative Code rule 191—15.75(1) and (2) (2019), subjecting Norman to probation, suspension or revocation of her insurance producer license, imposition of a civil penalty, an order requiring her 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, and 507B.7, and Iowa Administrative Code rules 191—15.14, 191—15.75, and 15.77.

COUNT II
Suitability Best Interest– Allianz Annuities

140. The suitability regulations in effect after January 1, 2021, which governed Norman's sale of the Allianz annuities to N.H., L.J., and T.H., provide:

> (1) Best interest obligations. A producer, when making a recommendation of an annuity, shall act in the best interest of the consumer under the circumstances known at the time the recommendation is made, without placing the producer's or the insurer's financial interest ahead of the consumer's interest. A producer has acted in the best interest of the consumer if the producer has satisfied the following obligations regarding care, disclosure, conflict of interest and documentation:
>
> a. Care obligation.
>
> (1) The producer, in making a recommendation, shall exercise reasonable diligence, care and skill to:
>
> 1. Know the consumer's financial situation, insurance needs and financial objectives;
>
> 2. Understand the available recommendation options after making a reasonable inquiry into options available to the producer;

3. Have a reasonable basis to believe the recommended option effectively addresses the consumer's financial situation, insurance needs and financial objectives over the life of the product, as evaluated in light of the consumer profile information; and

4. Communicate the basis or bases of the recommendation.

(2) The requirements under subparagraph 15.75(1)"a"(1) include making reasonable efforts to obtain consumer profile information from the consumer prior to the recommendation of an annuity.

(3) The requirements under subparagraph 15.75(1)"a"(1) require a producer to consider the types of products the producer is authorized and licensed to recommend or sell that address the consumer's financial situation, insurance needs and financial objectives. This does not require analysis or consideration of any products outside the authority and license of the producer or other possible alternative products or strategies available in the market at the time of the recommendation. Producers shall be held to standards applicable to producers with similar authority and licensure.

. . .

(10) In the case of an exchange or replacement of an annuity, the producer shall consider the whole transaction, which includes 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, living or other contractual benefits, or be subject to increased fees, investment advisory fees or charges for riders and similar product enhancements;

2. The replacing product would substantially benefit the consumer in comparison to the replaced product over the life of the product; and

3. The consumer has had another annuity exchange or replacement and, in particular, an exchange or replacement within the preceding 60 months.

141. In regard to N.H.:

a. N.H.'s existing Nassau annuity included a provision that allowed for ten-percent penalty free annual withdrawals that could accommodate N.H.'s stated desire for gift income. By failing to familiarize herself with the terms of N.H.'s Nassau annuity, and/or disregarding said information, Norman failed to exercise reasonable diligence, care, and skill to know N.H.'s particular financial situation, insurance needs, and financial objectives, thereby failing to act in N.H.'s best interest when she advised N.H. to replace her Nassau annuity;

b. N.H.'s existing annuity with Nassau and the new annuity with Allianz were substantially similar, and the replacement, as a whole, did not provide net advantages that were a better match for N.H. based upon her particular financial situation, insurance needs, and financial objectives. By failing to recognize and/or disregarding this substantial similarity, Norman failed to exercise reasonable diligence, care, and skill to have a reasonable basis to believe the recommended Allianz annuity effectively addressed N.H.'s financial situation, insurance needs and financial objectives, thereby failing to act in N.H.'s best interest;

c. By misrepresenting the replacement status and source of funds on N.H.'s Allianz annuity application and suitability forms, Norman failed to exercise reasonable diligence, care, and skill to have a reasonable basis to believe the recommended Allianz annuity effectively addressed N.H.'s financial situation, insurance needs and financial objectives, thereby failing to act in N.H.'s best interest;

d. In light of the fact that Norman was recommending the replacement of N.H.'s Nassau annuity with the Allianz annuity, Norman failed to adequately consider and inform

N.H. regarding important factors, including but not limited to the $21,589.28 surrender fee N.H. would incur from Nassau and the commencement of a new surrender period, thereby failing to act in N.H.'s best interest;

e. In light of the fact that Norman was recommending the replacement of N.H.'s Nassau annuity with the Allianz annuity, as well as the fact that the Nassau and Allianz annuities were substantially similar, Norman failed to adequately consider whether the replacing product would substantially benefit the consumer in comparison to the replaced product over the life of the product, thereby failing to act in N.H.'s best interest;

f. By failing to present a complete, Iowa-specific illustration when presenting the Allianz annuity recommendation, Norman failed to adequately consider whether the replacing product would substantially benefit the consumer in comparison to the replaced product over the life of the product, thereby failing to act in N.H.'s best interest; and

g. In light of the fact that Norman was recommending the replacement of N.H.'s Nassau annuity with the Allianz annuity, Norman failed to adequately consider the whole transaction, including the fact that her recommendation required N.H. to surrender the Nassau annuity less than one year into the annuity contract term and only one month before the contract's anniversary date, after which N.H. could have benefitted from index interest credits calculated on that date, thereby failing to act in N.H.'s best interest.

142. In regard to L.J.:

a. Given L.J.'s liquidity needs evidenced by the seven withdrawals from her Athene annuity between December 2019 and March 2023, Norman failed to exercise reasonable diligence, care, and skill to have a reasonable basis to believe the recommended Allianz annuity effectively addressed L.J.'s financial situation, insurance needs and financial objectives, thereby failing to act in L.J.'s best interest;

b. L.J.'s existing annuity with Athene and the new annuity with Allianz were substantially similar, and the replacement, as a whole, did not provide net advantages that were a better match for L.J. based upon her particular financial situation, insurance needs, and financial objectives. By failing to recognize and/or disregarding this substantial similarity, Norman failed to exercise reasonable diligence, care, and skill to have a reasonable basis to believe the recommended Allianz annuity effectively addressed L.J.'s financial situation, insurance needs and financial objectives, thereby failing to act in L.J.'s best interest;

c. By misrepresenting the replacement status and source of funds on L.J.'s Allianz annuity application and suitability forms, Norman failed to exercise reasonable diligence, care, and skill to have a reasonable basis to believe the recommended Allianz annuity effectively addressed L.J.'s financial situation, insurance needs and financial objectives, thereby failing to act in L.J.'s best interest;

d. By misrepresenting and inflating L.J.'s gross monthly income, liquid assets, non-liquid assets, and/or total net worth on the Allianz annuity application and suitability forms, Norman failed to exercise reasonable diligence, care, and skill to have a reasonable basis to believe the recommended Allianz annuity effectively addressed

L.J.'s financial situation, insurance needs and financial objectives, thereby failing to act in L.J.'s best interest;

e. In light of the fact that Norman was recommending the replacement of L.J.'s Athene annuity with the Allianz annuity, Norman failed to adequately consider and inform L.J. regarding important factors, including but not limited to the $7,306.56 market value adjustment and the $37,649.44 surrender fee L.J. would incur from Athene and the commencement of a new surrender period, thereby failing to act in L.J.'s best interest;

f. In light of the fact that Norman was recommending the replacement of L.J.'s Athene annuity with the Allianz annuity, as well as the fact that the Athene and Allianz annuities were substantially similar, Norman failed to adequately consider whether the replacing product would substantially benefit the consumer in comparison to the replaced product over the life of the product, thereby failing to act in L.J.'s best interest;

g. By failing to present a complete, Iowa-specific illustration when presenting the Allianz annuity recommendation, Norman failed to adequately consider whether the replacing product would substantially benefit the consumer in comparison to the replaced product over the life of the product, thereby failing to act in L.J.'s best interest; and

h. In light of the fact that Norman was recommending the replacement of L.J.'s Athene annuity with the Allianz annuity, Norman failed to adequately consider the whole transaction, including the fact that her recommendation required L.J. to surrender the Athene annuity less than four years into the annuity contract term and only four

months before the contract's anniversary date, after which L.J. could have benefitted from index interest credits calculated on that date and the return of premium benefit, thereby failing to act in L.J.'s best interest.

143. In regard to T.H.:

a. T.H.'s existing annuity with Athene and the new annuity with Allianz were substantially similar, and the replacement, as a whole, did not provide net advantages that were a better match for T.H. based upon her particular financial situation, insurance needs, and financial objectives. By failing to recognize and/or disregarding this substantial similarity, Norman failed to exercise reasonable diligence, care, and skill to have a reasonable basis to believe the recommended Allianz annuity effectively addressed T.H.'s financial situation, insurance needs and financial objectives, thereby failing to act in T.H.'s best interest;

b. By misrepresenting the replacement status and source of funds on T.H.'s Allianz annuity application and suitability forms, Norman failed to exercise reasonable diligence, care, and skill to have a reasonable basis to believe the recommended Allianz annuity effectively addressed T.H.'s financial situation, insurance needs and financial objectives, thereby failing to act in T.H.'s best interest;

c. In light of the fact that Norman was recommending the replacement of T.H.'s Athene annuity with the Allianz annuity, Norman failed to adequately consider and inform T.H. regarding important factors, including but not limited to the $31,748.46 surrender fee T.H. would incur from Athene and the commencement of a new surrender period, thereby failing to act in T.H.'s best interest;

d. In light of the fact that Norman was recommending the replacement of T.H.'s Athene annuity with the Allianz annuity, as well as the fact that the Athene and Allianz annuities were substantially similar, Norman failed to adequately consider whether the replacing product would substantially benefit the consumer in comparison to the replaced product over the life of the product, thereby failing to act in T.H.'s best interest;

e. By failing to present a complete, Iowa-specific illustration when presenting the Allianz annuity recommendation, Norman failed to adequately consider whether the replacing product would substantially benefit the consumer in comparison to the replaced product over the life of the product, thereby failing to act in T.H.'s best interest; and

f. In light of the fact that Norman was recommending the replacement of T.H.'s Athene annuity with the Allianz annuity, Norman failed to adequately consider the whole transaction, including the fact that her recommendation required T.H. to surrender the Athene annuity less than four years into the annuity contract term and one week before the contract's anniversary date, after which T.H. would have benefitted from index interest credits calculated on that date and the return of premium benefit, thereby failing to act in T.H.'s best interest.

144. During her replacement recommendations for N.H., L.J., and T.H., Norman failed to diligently, carefully, and skillfully evaluate the positive and negative benefits, enhancements, riders, costs, and fees to determine whether the applied-for annuities were more advantageous as a whole for each individual consumer and to act in these consumers' best interest.

145. Norman's acts and practices violated of Iowa Code §§ 507B.3, 507B.4B, and Iowa Administrative Code rule 191—15.75(1) (2021), subjecting Norman to probation, suspension or revocation of her insurance producer license, imposition of a civil penalty, an order requiring her 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 rules 191—15.14, 191—15.75, and 15.77.

COUNT III
Misrepresentations on Insurance Applications and Replacement of Annuities

146. Under Iowa Code § 507B.4(3)(n) a person is prohibited from "[m]aking false or fraudulent statements or representation on or relative to an application for an insurance policy for the purpose of obtaining a fee, commission, money, or other benefit from any insurer, agent, broker, or individual."

147. Iowa Administrative Code chapters 191—15 and 191—16 establish 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.

148. 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 . . . ."

149. 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, include a specific statement as to whether each listed policy or contract will be replaced, and include a specific statement as to whether each listed policy or contract will be used as a source of financing for the new policy.

150. 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.**

Emphasis added.

151. Even though Norman recommended and facilitated the surrender of N.H.'s Nassau annuity and the surrender of L.J.'s and T.H.'s Athene annuities to fund each newly applied-for Allianz annuity, Norman misrepresented that the applied-for annuities were not replacements on the Allianz application paperwork for N.H., L.J., and T.H.

152. Norman's instruction that Nassau and Athene send surrender checks directly to N.H., L.J., and T.H. instead of directly to Allianz, the replacing insurer, furthered Norman's scheme to evade and obfuscate where the funds were coming from and that replacements were occurring.

153. The pattern of replacing three different consumers' existing annuity contracts, two of which were replacements of annuity contracts for which Norman herself was the agent of record, is prima facie evidence of Norman's knowledge that replacements were intended and of her intent to violate Iowa rules regarding replacements.

154. Norman misrepresented the source of funds on the Allianz application paperwork for N.H., L.J., and T.H.

155. Norman misrepresented L.J.'s liquid assets, income, and/or total net worth on her Athene and Allianz annuity applications.

156. Norman received commissions from Allianz in connection with the annuity sales to N.H., L.J., and T.H.

157. Norman received commission from Athene in connection with the annuity sale to L.J.

158. Norman's misrepresentations on L.J.'s Athene application and on the N.H.'s, L.J.'s, and T.H.'s Allianz applications enabled Norman to earn commissions from the sale of all of these annuities.

159. Norman's acts and practices violated Iowa Code §§ 507B.3, 507B.4(3)(n), and rules adopted pursuant to this chapter including but not limited to Iowa Administrative Code rule 191—16.24(2), subjecting Norman to suspension or revocation of her insurance producer license, imposition of a civil penalty, an order requiring her 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 rules 191—15.14, 191—15.77, and 191—16.29.

COUNT IV
Fraudulent, Coercive, or Dishonest Practices or Demonstrating Incompetence or Untrustworthiness

160. 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 using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business.

161. Norman used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness, or financial irresponsibility when she submitted application paperwork to Allianz bearing an inauthentic electronic signature for L.J, N.H, and T.H.

162. Norman used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness, or financial irresponsibility when she initially lied to Division investigators, denying that she knew the surrender of N.H.'s Nassau annuity provided the source of funds for N.H.'s Allianz annuity.

163. Norman used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness, or financial irresponsibility when she misled Allianz in her written statement dated June 14, 2024, where she stated that:

a. N.H. told her that the source of funds for N.H.'s Allianz annuity was a "variable account;" and

b. N.H. "did not want her money in the market," while knowing that the source of funds for N.H.'s Allianz annuity was the Nassau annuity and that those funds were not "in the market" prior to being used to fund the Allianz annuity.

164. Norman's acts and practices violated Iowa Code § 522B.11(1)(h) subjecting Norman to probation, suspension, or revocation of her insurance producer license, the imposition of a civil penalty, an order requiring her 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.

COUNT V
Unfair Trade Practices - Twisting

165. 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."

166. 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.

167. Iowa Administrative Code rule 191—15.7 elaborates on chapter 507B's prohibition on unfair trade practices, stating, "No insurer or producer shall engage in the act of twisting."

168. Iowa Administrative Code rule 191—15.2 defines twisting as:

> [A]ny action by a producer or insurer to induce or attempt to induce any individual to lapse, forfeit, surrender, terminate, retain, assign, borrow, or convert a policy or an annuity in order that such individual procure another policy or annuity, when such action would operate to the overall detriment of the interests of the individual.

169. Norman engaged in twisting when she induced N.H. to surrender her Nassau annuity so that N.H. could purchase an Allianz annuity through Norman, which operated to N.H.'s detriment, including but not limited to the imposition of significant surrender fees.

170. Norman engaged in twisting when she induced L.J. to surrender her Athene annuity so that L.J. could purchase an Allianz annuity through Norman, which operated to L.J.'s detriment, including but not limited to the imposition of significant surrender fees.

171. Norman engaged in twisting when she induced T.H. to surrender her Athene annuity so that T.H. could purchase an Allianz annuity through Norman, which operated to T.H.'s detriment, including but not limited to the imposition of significant surrender fees.

172. Norman's acts and practices violated of Iowa Code §§ 507B.3, 507B.6, and Iowa Administrative Code rule 191—15.7, subjecting Norman to probation, suspension or revocation of her insurance producer license, imposition of a civil penalty, an order requiring her 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 rules 191—15.14 and 191—15.77.

COUNT VI (Forgery) – DISMISSED

COUNT VII
Unfair Trade Practices – Securities Advice by an Insurance Producer

173. 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."

174. Iowa Bulletin No. 2011-4 provides that an "insurance-only" producer, who is not also qualified and licensed in securities, is specifically prohibited from "[r]ecommending the liquidation of specific securities, or identifying specific securities that could be used to fund an annuity or life insurance product." The Commissioner previously found *In the matter of Diamond:*

> [A]n insurance producer, who is not also qualified and licensed in securities, and fails to exercise reasonable care to avoid giving this advice, or fails to exercise reasonable care to avoid a reasonable consumer perception that he is giving this advice, not only violates the investor protection purposes found in Iowa's Uniform Securities Act, Iowa Code, Chapter 502, but this

> conduct also presents a substantial risk of harm to consumers. We, therefore, conclude that this practice is unfair and we determine that it violates Iowa Code § 507B.3.

In the matter of Diamond, Division Case No. 96975, 2019 WL 5677529, at 49 (Iowa Ins. Div., Oct. 23, 2019).

175. Norman, licensed only as an insurance producer, engaged in unfair practices when she gathered insurance and investment asset information from L.J. as part of the required suitability process; identified securities as assets to be liquidated, to wit, L.J.'s TSP account assets; and advised that those securities assets be sold in order to fund an annuity that Norman recommended and sold, and for which she earned commissions.

176. Norman's acts and practices violated Iowa Code § 507B.3 and Iowa Bulletin No. 2011-4, subjecting Norman to suspension or revocation of her insurance producer license, imposition of a civil penalty, an order requiring her to cease and desist from engaging in such acts or practices, 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 §§ 505.8, 507B.7, and Iowa Administrative Code rule 191—15.14.

COUNT VIII
Providing Investment Advice While Unregistered

177. Under Iowa Code §§ 502.403 and 502.404, it is unlawful for a person to transact business in this state as an investment adviser or as an investment adviser representative unless the person is registered as an investment adviser or investment adviser representative.

178. Under Iowa Bulletin No. 2011-4 an insurance producer, who is not also qualified and licensed in securities, is specifically prohibited from "[r]ecommending the liquidation of specific securities or identifying specific securities that could be used to fund an annuity or life insurance product."

179. Iowa Code § 502.102(15) defines "investment adviser" as:

> [A] person that, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or the advisability of investing in, purchasing, or selling securities or that, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities. The term includes a financial planner or other person that, as an integral component of other financially related services, provides investment advice to others for compensation as part of a business or that holds itself out as providing investment advice to others for compensation.

180. An "investment adviser representative" is defined by Iowa Code § 502.102(16) as:

> [A]n individual employed by or associated with an investment adviser or federal covered investment adviser and who makes any recommendations or otherwise gives investment advice regarding securities, manages accounts or portfolios of clients, determines which recommendation or advice regarding securities should be given, provides investment advice or holds oneself out as providing investment advice, receives compensation to solicit, offer, or negotiate for the sale of or for selling investment advice, or supervises employees who perform any of the foregoing.

181. Iowa Code § 502.102(28) defines a "security" as:

> a note; stock; treasury stock; security future; bond; debenture; evidence of indebtedness; certificate of interest or participation in a profit-sharing agreement; collateral trust certificate; preorganization certificate or subscription; transferable share; investment contract; voting trust certificate; certificate of deposit for a security; fractional undivided interest in oil, gas, or other mineral rights; put, call, straddle, option, or privilege on a security, certificate of deposit, or group or index of securities, including an interest therein or based on the value thereof; put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency; or, in general, an interest or instrument commonly known as a "security"; or a certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing.

182. Stocks, bonds, and mutual funds are securities under Iowa Code § 502.102(28).

183. L.J.'S TSP account included securities, such as stocks, bonds, and mutual funds.

184. Norman advised L.J. to liquidate her federal TSP accounts, which included securities, and to use the proceeds to purchase annuities from Athene.

185. Norman received commissions in connection with the purchase of the Athene annuities by L.J., which was funded by the sale of securities.

186. In advising L.J. to liquidate her TSP account, Norman transacted business as an investment adviser and/or investment advisor representative without being registered.

187. Norman's acts and practices violated Iowa Code §§ 502.403 and 502.404 subjecting her to an order to cease and desist engaging in such acts and practices, the imposition of civil penalties, the recovery of costs of investigation, and an order of restitution pursuant to Iowa Code § 502.604.

IV. ORDER

WHEREFORE, IT IS ORDERED pursuant to the powers granted to the Commissioner of Insurance by Iowa Code chapter 502, chapter 507B, and chapter 522B:

A. Norman's Iowa nonresident insurance producer license is immediately revoked, and Norman is prohibited from engaging in the business of insurance in this state pursuant to Iowa Code §§ 507B.7 and 522B.11;

B. Norman is permanently barred from any participation or employment in the securities business in Iowa pursuant to Iowa Code § 502.412;

C. Norman shall cease and desist from engaging in the acts or practices alleged herein pursuant to Iowa Code §§ 502.604, 507B.7 and 522B.17, and Iowa Administrative Code rule 191—15.14;

D. Norman shall, contemporaneously with the entry of this Order, pay restitution in the amount of $44,954.00. This amount shall be made payable to the Iowa Insurance Division and will be credited to the Iowa Settlement Fund to be distributed to consumer L.J. pursuant to Iowa Code § 505.8.

E. Norman shall, contemporaneously with the entry of this Order, pay $10,000.00 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.

F. These orders may be enforced under Iowa Code chapters 502, 507B, and 522B, including but not limited to Iowa Code §§ 502.604(7), 507B.7(4), and 522B.17(3), and additionally, by any collection remedies available to the State of Iowa Department of Revenue for unpaid penalties and other ordered monetary amounts.

SO ORDERED on this 14th day of July, 2026.

DOUGLAS M. OMMEN
Iowa Insurance Commissioner

Respectfully submitted,

Johanna Nagel
Iowa Insurance Division
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(515) 654-6563
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ATTORNEYS FOR THE DIVISION

Copy to:
Mark Thomas
GREFE & SIDNEY, P.L.C.
500 E. Court Ave, #200
Des Moines, IA 50309
mthomas@grefesidney.com
ATTORNEY FOR RESPONDENT

NOTICE OF PENALTIES FOR WILLFUL 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 NOTIFIED that acting as a securities agent, investment adviser, investment adviser representative, or broker-dealer, as defined in Iowa Code chapter 502, in violation of this Order, is a felony under Iowa Code § 502.508, 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 §§ 502.604 and 522B.17(3). 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 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 order. 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, Starrla Ramae Norman, 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 I acknowledge that the Division cannot provide me an attorney, nor can the Division provide me legal advice. By executing this Consent, I understand that I am waiving my rights to a 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.

Starrla Ramae Norman — 07/09/2026

Starrla Ramae Norman, Respondent — Date

16315 County Road 460 Dexter, MO. 63841

Address of Signatory

Subscribed and sworn before me by Starrla Ramae Norman on this 9TH day of July, 2026.

Virginia Young

Notary Public for the State of Missouri

VIRGINIA YOUNG
NOTARY PUBLIC - NOTARY SEAL
STATE OF MISSOURI
MY COMMISSION EXPIRES MARCH 14, 2028
STODDARD COUNTY
COMMISSION #12554984

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 July 14, 2026.

By: ( ) First Class Mail
( ) Restricted certified mail, return receipt
( ) Certified mail, return receipt
( ) Personal Service
(X) Email
( ) _____

Signature: Tammi Green
Tammi Green