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NEBRASKA DEPARTMENT OF INSURANCE

BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKA

STATE OF NEBRASKA DEPARTMENT OF INSURANCE,	))	
PETITIONER,	)	CONSENT ORDER
VS.	)	
MATTHEW SLEISTER,	))	CAUSE NO. A-1591
RESPONDENT.	))	

Oct 15, 2004 ACCT# 8521 $5,500.00
NO-INVOICE TRAN# 1372056
SLEISTER, MATTHEW DAVID
CHECK# 979

In order to resolve this matter, the Nebraska Department of Insurance ("Department"), by and through its attorney, Martin W. Swanson and Matthew Sleister, ("Respondent"), mutually stipulate and agree as follows:

JURISDICTION

1. The Department has jurisdiction over the subject matter and Respondent pursuant to Neb. Rev. Stat. §44-101.01 and §44-4001, et seq.

2. Respondent was licensed as an insurance agent under the laws of Nebraska at all times material hereto.

STIPULATIONS OF FACT

1. The Department initiated this administrative proceeding by filing a petition styled State of Nebraska Department of Insurance vs. Matthew Sleister, Cause Number A-1591 on August 31, 2004. A copy of the petition was served upon the Respondent at the Respondent's home address and registered with the Department by certified mail, return receipt requested.

2. Respondent violated Neb. Rev. Stat §44-4059(1)(b), and Title 210 NAC Ch. 50 §005, specifically (005.01), Title 210 NAC Ch. 50 §006, specifically (006.02), Title 210 NAC Ch. 50 §010, specifically (010.01) as a result of the following conduct:

a. On November 2, 2002, Raymond and Jean C. Satree purchased a $20,000 tax deferred C.D. alternative at 6.75% interest for their mother-in-law and mother respectively, Lorene E. Lane (Lane) because she was receiving a low interest rate at her bank. This product was subsequently identified as an annuity.

b. Bankers Life and Casualty (Bankers Life) offered this product via their agent, Matthew Sleister (Respondent). Respondent filled out Lane's application form and, according to the Satrees, was not concerned about Lane's health status or her age, which, at that time, was 86.

c. Lane passed away on June 2, 2003 and in early February of 2004, Jean Satree and her sister decided to cash in the annuity and, on April 28, 2004, they each received a check for $9,784.34. From their calculations, the realized that they lost all of the interest in addition to losing approximately $430.00 of the original $20,000 investment. Respondent never informed them about any risks and, moreover, the Satrees have not received a copy of the annuity.

d. On or about June 9, 2004, the Satrees filed a complaint with the Nebraska Department of Insurance. Barbara Ems, (Ems) a consumer affairs investigator for the Nebraska Department of Insurance, initiated an investigation of the Satree's allegations.

e. On June 16, 2004, Ems asked Respondent to submit a copy of the solicitation materials used and a detailed description of his sales presentation.

f. On June 29, 2004, Respondent sent Ems a copy of the solicitation materials used in his presentation to the Satrees. The solicitation materials included slides that illustrated the following:

1. Current interest rates without disclosing guaranteed rates.

2. It described an annuity as a "CD Alternative" rather than describing the actual product.

3. A reference to "resource for emergencies" without denoting that the product may have surrender charges and may not be readily available in all financial emergencies.

4. A reference to "liquidity" without denoting that the annuity may have a surrender penalty and that it takes time to process a surrender request.

5. Included a statement that "no one has ever lost a penny," which is broad and sweeping for an annuity especially considering that the surrender penalty was not disclosed on that slide.

6. A reference to the "Legal Reserve System." It does not denote what the "Legal Reserve System" is or even if it exists.

7. It represented that the additional earnings on deferred taxes as triple compounding. In reality, tax payments remain part of the principal and interest until paid and the annuitant does not actually receive additional interest on the same funds.

8. One slide included a picture of Uncle Sam as a bandit pointing his weapon at the reader.

g. On August 5, 2004, Bankers Life sent a response letter to Ems. In that letter, they reviewed the material used by Respondent in the solicitation of the annuity. Bankers Life admitted the following:

> "The solicitation material was not submitted to our Company for approval and has been discontinued from use. I'm told Mr. Sleister was the only agent out of our Omaha Branch Sales Office who was using this material. Mr. Sleister has been counseled to use only Company approved materials and was demoted."

3. Respondent was informed of his right to a public hearing. Respondent waives that right, and enters into this Consent Order freely and voluntarily. Respondent understands and acknowledges that by waiving his right to a public hearing, Respondent also waives his right to confrontation of witnesses, production of evidence, and judicial review.

4. Respondent admits the allegations contained stated in Paragraph #2 above.

CONCLUSIONS OF LAW

Respondent's conduct as alleged above constitutes a violation of Neb. Rev. Stat. §44-4059(1)(b) and Title 210 NAC Ch. 50 §005, specifically (005.01), Title 210 NAC Ch. 50 §006, specifically (006.02), Title 210 NAC Ch. 50 §010, specifically (010.01).

CONSENT ORDER

It is therefore ordered by the Director of Insurance and agreed to by Respondent, Matthew Sleister, that he shall pay an administrative fine of $5,500 in addition to a fifteen-day suspension upon the date of approval of this consent order by the Director of the Nebraska Department of Insurance. The fine shall be paid in total within thirty days after the Director of the Department of Insurance affixes his signature to this document and approves said consent agreement. If Respondent fails to pay this fine in the time specified, his Nebraska's insurance producers license shall automatically be revoked. The suspension shall begin on October 25, 2004, and continue for fifteen consecutive days. If it is found that Respondent, in any way, transacted any insurance business in Nebraska during that time frame in the capacity of an insurance producer, his license shall automatically be revoked. Additionally, Respondent is required to read and review Title 210 NAC Ch. 50 and certify via a letter to the Department of Insurance that he has, in fact, read and reviewed this particular chapter within thirty days of the Director's signature approving this consent order. If Respondent fails to certify that he has read and reviewed Title 210 NAC Ch. 50 within that time frame, his insurance producers license shall automatically be revoked. In witness of their intention to be bound by this Consent Order, each party has executed this document by subscribing his signature below.

Martin W. Swanson, #20795
Attorney for Nebraska
Department of Insurance
941 "O" Street, Suite 400
Lincoln, Nebraska 68508
(402)471-2201

10-8-04
Date

Respondent

10-8-04
Date

State of Nebraska)
) ss.
County of Douglas)

On this 8 day of Oct, 04, Matthew Sleister personally appeared before me and read this Consent Order, executed the same and acknowledged the same to be his voluntary act and deed.

GENERAL NOTARY - State of Nebraska
KAREN K. FISHER
My Comm. Exp. Jan. 21, 2006

Karen K Fisher
Notary Public

I hereby certify that the foregoing Consent Order is adopted as the Final Order of the Nebraska Department of Insurance in the matter of State of Nebraska Department of Insurance vs. Matthew Sleister, Cause No. A-1591.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE

L. TIM WAGNER
Director of Insurance

10/19/04
Date

CERTIFICATE OF SERVICE

I hereby certify that a copy of the executed Consent Order was sent to the Respondent, at 13310 Fort Street, Omaha, Nebraska 68164, by certified mail, return receipt requested on this 20th day of October, 2004.

Tracy A. Kuhn