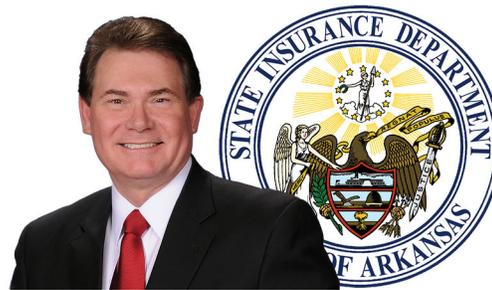


Arkansas Insurance Department

NEWS RELEASE

*Allen Kerr
Insurance Commissioner*



FOR IMMEDIATE RELEASE

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AID Announces License Revocation, Restitution

Fort Smith agent in Federal custody diverted \$127K to fictitious company

LITTLE ROCK – Arkansas Insurance Commissioner Allen Kerr today released the following statement regarding the revocation of the Arkansas Resident Producer’s License of Samuel Bowron Phillips of Fort Smith and order that \$127,748.06 in restitution be paid:

“Preying upon the retirement funds of hardworking Arkansans by any insurance agent in our state is unacceptable. I am proud of the hard work conducted by our Legal Division on this case, and the work by our Criminal Investigation Division that assisted in the federal case that led to Mr. Phillips’ arrest.”

The Arkansas Insurance Department held a hearing on January 26 stemming from an October 2015 complaint against Phillips alleging that he moved four fixed indexed retirement annuities worth \$127,748.06 belonging to a Fort Smith couple from their then-current company to Paradigm Financial Partners LLC of Barling. The couple never received any policies or documentation from Paradigm. The transaction resulted in a loss of value in the annuities of \$27,259.76.

Currently, the owners of the annuities do not have access or know the location of their retirement investment.

AID issued Emergency Suspension Order 2015-092 against Phillips on December 7, 2015. To read AID License Revocation Order 2016-015, [click here](#).

During the course of AID’s investigation it was determined Paradigm was never an insurance agency, and that the Secretary of State’s office had revoked the license of the company. AID also contacted a similarly-named Paradigm Financial Partners located in Connecticut. The company stated it had no knowledge of the annuities in question, and had never done business with Phillips.

Phillips was charged last week in federal court with 11 counts of mail fraud, one count of wire fraud, and three counts of money laundering. According to the federal complaint, Phillips opened checking accounts in the name of Paradigm Financial Partners and one other company.

AID’s Criminal Investigation Division assisted with the federal investigation into Phillips providing investigators with information, including checks deposited into Phillips’ checking accounts and bank surveillance video.

The Insurance Department strongly encourages anyone who has done annuity business with Phillips and has concerns to contact its Consumer Services Division at 800-852-5494.

For more information on the Arkansas Insurance Department, please visit <http://insurance.arkansas.gov>, follow us on Twitter at <http://twitter.com/ARInsuranceDept> and Facebook at <http://www.facebook.com/ArkansasInsuranceDepartment>.