STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

In the Matter of:	Case No. INS-17-0031
JOSHUA B. SILVERSTEIN, Respondent.	ORDER TO CEASE AND DESIST, FINAL ORDER REVOKING LICENSE AND CONSENT TO ENTRY OF ORDER

The Director of the Department of Consumer and Business Services for the State of Oregon ("Director") has conducted an investigation into JOSHUA B. SILVERSTEIN ("Respondent") and determined that Respondent engaged in activities constituting multiple violations of Oregon Revised Statutes ("ORS") chapters 731, 732, 733, 734, 735, 737, 742, 743, 744, 746, 748 and 750 ("Insurance Code").

Respondent wishes to resolve and settle this matter with the Director.

Now, therefore, as evidenced by the signature(s) subscribed on this Order, Respondent hereby CONSENTS to entry of this Order.

FINDINGS OF FACT

The Director FINDS that:

1. Respondent has been licensed as an Oregon nonresident insurance producer since November 30, 2012. Respondent's national producer number is 16835761.

2. Respondent was licensed to sell securities as a registered agent in Oregon since October 9, 2012. His CRD number is 6087683.

3. Respondent was appointed with American Equity Investment Life Holding Company ("American Equity") until his termination on June 16, 2016.

4. On June 21, 2016, the Division of Financial Regulation ("Division") received a letter from American Equity informing the Division that Respondent had been

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terminated for cause for calling American Equity annuity service department impersonating his father, Craig Silverstein, and policyholders in order to obtain information regarding annuity policies.

5. On January 4, 2016, Respondent called American Equity and identified himself as policyholder D.A. to check on the surrender of his and his wife's policies. Neither D.A. nor his wife gave Respondent permission to call and identify himself as D.A. and request information regarding their accounts.

6. Respondent provided false information on R.R.'s Fidelity Annuity application completed on May 20, 2016. Below are specific examples of the false information provided by Respondent on R.R.'s application.

A. Respondent falsely attested that R.R. did not have an existing life insurance policy or annuity although Respondent assisted R.R. in surrendering R.R.'s American Equity annuity contract (dated October 29, 2013) on May 23, 2016.

B. Respondent falsely attested that the Fidelity annuity did not replace an existing life insurance policy or annuity.

C. Respondent falsely attested that the source of the funds for the Fidelity annuity came from R.R.'s checking/savings/money market account. The funds from the surrendered American Equity annuity paid for the Fidelity annuity.

D. Respondent admitted to not reviewing the suitability form with R.R. and used information that was in the file from previous contacts R.R. had with Respondent's father, Craig Silverton, without verifying that the information was still accurate.

E. Respondent falsely attested that R.R. had not replaced or purchased life insurance or an annuity within the last 36 months.

F. Respondent falsely attested that the Fidelity annuity application and nonresident sales acknowledgement form was signed at 8680 Navajo Road #106, San Diego, CA, when the forms were actually signed at R.R.'s home in Newberg, Oregon.

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7. R.R. was charged a surrender charge of $3,656.81 and lost $3,291.81 in a non-vested bonus.

8. Respondent received $3,617.03 in commissions from Fidelity for R.R.'s new annuity policy.

9. Respondent provided false information on M.S.'s Fidelity Annuity application completed on May 22, 2016. Below are specific examples of the false information provided by Respondent on the M.S.'s application.

A. Respondent falsely attested that M.S. did not have an existing life insurance policy or annuity although Respondent assisted M.S. in surrendering her American Equity annuity contract (dated January 27, 2014) on June 2, 2016.

B. Respondent falsely attested that the Fidelity annuity did not replace an existing life insurance policy or annuity.

C. Respondent falsely attested that the source of the funds for the Fidelity annuity came from M.S.'s checking/savings/money market account. The funds from the surrendered American Equity annuity paid for the Fidelity annuity.

D. Respondent admitted to not reviewing the suitability form with M.S. and used information that was in the file from previous contacts M.S. had with Respondent's father, Craig Silverton, without verifying that the information was still accurate.

E. Respondent falsely attested that M.S. had not replaced or purchased life insurance or an annuity within the last 36 months.

F. Respondent falsely attested that the Fidelity annuity application and nonresident sales acknowledgement form was signed at 8680 Navajo Road #106, San Diego, CA, when the forms were actually signed at M.S.'s home in Salem, Oregon.

10. M.S. was charged a surrender charge of $11,379.15 and lost $8,960.93 in a non-vested bonus.

11. Respondent received $10,831.60 in commissions from Fidelity for M.S.'s new

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annuity policy.

12. Respondent has repaid commissions to Fidelity.

CONCLUSIONS OF LAW

The Director CONCLUDES that:

13. Pursuant to Oregon Revised Statute ("ORS") 746.100, no person shall make a false or fraudulent statement or representation on or relative to an application for insurance, or for the purpose of obtaining a fee, commission, money or benefit from an insurer or insurance producer. Respondent violated this statute by making false statements on two annuity applications for the purpose of obtaining a benefit from the insurer.

14. Under Oregon Administrative Rule ("OAR") 836-080-0090, a person may not recommend to a consumer the purchase, sale or replacement of a life insurance policy, or any rider, endorsement or amendment to the policy, without reasonable grounds to believe that the recommendation or transaction is not unsuitable for the consumer based upon reasonable inquiry concerning the consumer's insurance objectives, financial situation and needs, age and other relevant information known by the person. Respondent recommended the replacement of two annuity policies without making a reasonable inquiry concerning the consumer's insurance objectives, financial situation and needs, age and other relevant information.

15. Pursuant to ORS 744.074(1)(b), the Director may revoke an insurance producer licensee for violating any insurance laws, or violating any rule, subpoena or order of the director. Respondent violated ORS 746.100, an insurance law, and OAR 836-080-0090, a rule.

16. Pursuant to ORS 744.074(1)(g), the Director may revoke an insurance producer licensee for having been found to have committed any unfair trade practice or fraud related to insurance. Respondent committed unfair trade practice and fraud related

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to insurance by falsely attesting to information on two annuity contracts.

17. Pursuant to ORS 744.074(1)(h), the Director may revoke an insurance producer licensee for using fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere. Respondent demonstrated fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness in the conduct of business by falsely attesting to information on two annuity contracts.

18. Pursuant to ORS 59.205(2), the Director may revoke a license of a person as a broker-dealer, state investment adviser, investment adviser representative or salesperson if the director finds that the applicant or licensee has engaged in dishonest, fraudulent or illegal practices or conduct in any business or profession. Respondent used dishonest, fraudulent or illegal practices or conduct in the business of insurance by falsely attesting to information on two annuity contracts.

19. Under ORS 731.988(1), the Director may impose a civil penalty of up to $1,000 per violation upon any individual who violates a provision of the Insurance Code.

ORDER

Now therefore, the Director issues the following Orders:

20. As authorized by ORS 731.252(1), the Director ORDERS Respondent to CEASE AND DESIST from violating any provision of the Insurance Code or the administrative rules promulgated thereunder.

21. The Director, pursuant to ORS 744.074(1)(b), (g), and (h), hereby REVOKES Respondent's Oregon nonresident insurance producer license.

22. The Director, pursuant to ORS 59.205(2), hereby REVOKES Respondent's Oregon broker dealer securities salesperson license.

23. The Director, pursuant to ORS 59.045, hereby DENIES Respondent the use of

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any exemptions that would otherwise be available under ORS 59.025 or ORS 59.035, concerning persons, securities, or transactions exempt from the registration requirements of the Oregon Securities Law under ORS chapter 59 and the administrative rules promulgated thereunder.

24. Respondent agrees to a PERMANENT bar from applying for an Oregon insurance producer or securities license.

25. Based upon the foregoing and in accordance with ORS 731.988(1), the Director ORDERS a CIVIL PENALTY of $500 for impersonating a client over the phone and for each of the applications falsified for a total civil penalty of $1500.

26. The CIVIL PENALTY assessed herein is due and payable to the Division within 10 days after the effective date of the final order.

SO ORDERED this 2nd day of June, 2017 in Salem, Oregon.

PATRICK M. ALLEN, Director
Department of Consumer and Business Services

/s/ David Tatman
David C. Tatman, Chief of Enforcement
Division of Financial Regulation

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CONSENT TO ENTRY OF ORDER

I, Joshua Silverstein, state that I have read the foregoing Order and that I know and fully understand the contents hereof; that the factual allegations stated herein are true and correct; that I have been advised of my right to a hearing, and that I have been advised of my right to be represented by counsel in this matter; that I voluntarily consent to the entry of this Order without any force or duress, expressly waiving any right to a hearing in this matter, as well as any rights to administrative or judicial review of this Order; that I understand that the Director reserves the right to take further actions against me to enforce this Order or to take appropriate action upon discovery of other violations of the Insurance Code by me; and that I will fully comply with the terms and conditions stated herein.

I understand that this Order is a public document.

/s/ Joshua Silverstein

Signature

State of Nevada

County of Clark

Signed or attested before me on this 25th day of May, 2017 by Joshua Silverstein.

/s/ Danielle Brewer

Notary Public

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