IN THE MATTER OF THE
REVOCATION OF THE LICENSING
AUTHORITY OF:

HEARING NO. 3991

Thomas V. Conwell
456 Sunrise
Lake Bluff, Illinois 60044

ORDER

I, Arnold Dutcher, Acting Director of Insurance, hereby certify that I have read the entire Record in this matter and the hereto attached Findings of Fact, Conclusions of Law, and Recommendations of the Hearing Officer, Morton P. Kamins, appointed and designated pursuant to Section 402 of the Illinois Insurance Code (215 ILCS 5/402) to conduct a Hearing in the above captioned matter. I have carefully considered and reviewed the entire Record of the Hearing and the Findings of Fact, Conclusions of Law and Recommendations of the Hearing Officer attached hereto and made a part hereof.

I, Arnold Dutcher, Acting Director of Insurance, being duly advised in the premises, do hereby adopt the Findings of Fact, Conclusions of Law and Recommendations of the Hearing Officer as my own, and based upon said Findings, Conclusions and Recommendations enter the following Order under the authority granted to me by Article XXIV of the Illinois Insurance Code (215 ILCS 5/401 et seq.) and Article X of the Illinois Administrative Procedure Act (215 ILCS 100/10-5 et seq.).

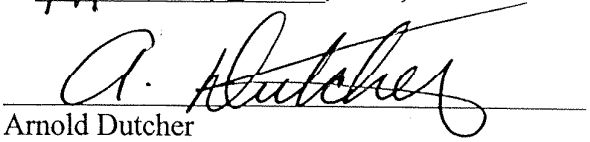
This Order is a Final Administrative Decision pursuant to the Illinois Administrative Procedure Act (5 ILCS 100/1-1 et seq.). Further, this Order is appealable pursuant to the Illinois Administrative Review Law (735 ILCS 5/3-101 et seq.).

NOW IT IS THEREFORE ORDERED THAT:

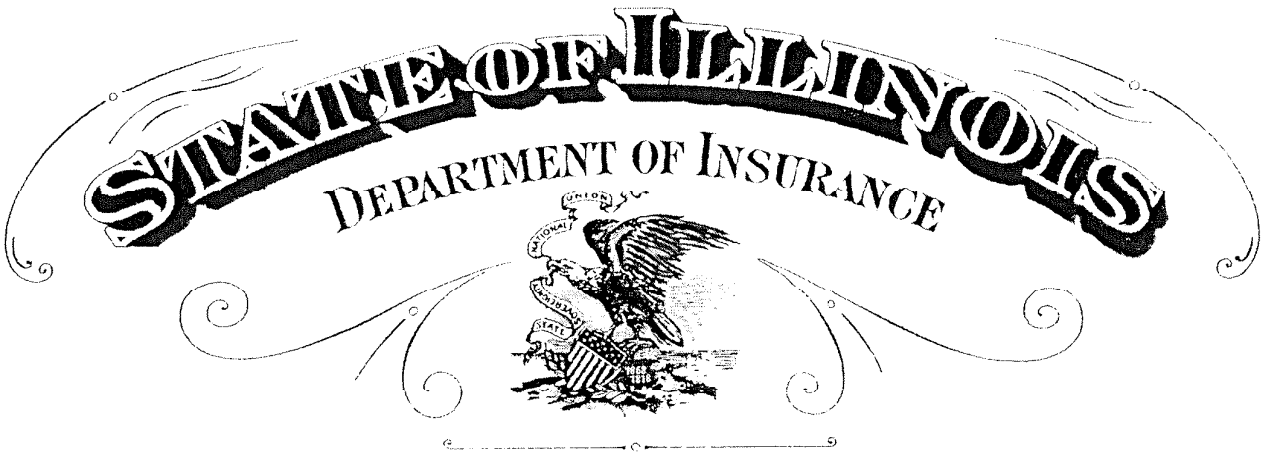
1) The Illinois Insurance Producer's License of the Respondent, Thomas V. Conwell, is revoked; and

2) The Respondent, Thomas V. Conwell, pay as costs of this proceeding, within 35 days of the date of this Order, the sum of $3,209.95, directly to the Illinois Department of Insurance, Tax and Fiscal Services Section, 320 West Washington, Springfield, Illinois 62767.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the Official Seal of the Department of Insurance in the City of Springfield, State of Illinois, this 12th day of March, A.D., 2003.



Arnold Dutcher
Acting Director



IN THE MATTER OF THE
REVOCATION OF LICENSING
AUTHORITY OF:

Thomas V. Conwell
456 Sunrise
Lake Bluff, IL 60044

ORDER OF REVOCATION

I, Nathaniel S. Shapo, Director of Insurance of the State of Illinois, hereby revoke the license of Thomas V. Conwell (Licensee) to take effect 30 days from the date of mailing of this Order pursuant to Section 500-70 of the Illinois Insurance Code (215 ILCS 5/500-70).

Based upon an investigation and review of the Licensee by the Producer Section of the Illinois Department of Insurance, the Department alleges that:

A. The Licensee has used fraudulent and dishonest practices and demonstrated untrustworthiness in the conduct of business in this state by submitting documents containing non-genuine signatures to an insurer. Specifically, the Department has identified 12 separate insurance related documents that contain non-genuine signatures of the named consumers.

The consumers have confirmed that their signatures on the documents in question are not genuine and they did not authorize anyone to complete them on their behalf. All of the documents were intended to replace existing coverage and/or create new insurance policies in the name of the consumers. The Licensee was listed as the agent of record for all of the new policies and each of the 12 documents contain the signature of the Licensee.

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Therefore, the Licensee has used fraudulent and dishonest practices and demonstrated untrustworthiness in the conduct of business in this state by submitting documents containing non-genuine signatures to an insurer, which are grounds for revocation pursuant to Section 500-70 (a)(8) of the Illinois Insurance Code (215 ILCS 5/500-70 (a)(8)).

B. The Licensee has personally paid a portion of the premium on insurance policies for two different consumers in violation of Section 151 of the Illinois Insurance Code (215 ILCS 5/151).

Specifically, the Licensee used his personal account #1030256206 at the Northern Trust Bank to pay the initial premium for a consumer's Acacia policy. The Licensee has admitted to paying this premium on behalf of the consumer. The consumer has confirmed that he never authorized the Licensee to make this premium payment.

Additionally, the Licensee personally paid $18.98 of the initial $1,500.00 premium for a consumer's Hartford Life policy. This additional premium was also paid using a check from Licensee's personal account at the Northern Trust Bank.

Therefore, the Licensee has personally paid a portion of the premium on insurance policies for two different consumers in violation of Section 151 of the Illinois Insurance Code (215 ILCS 5/151) which is a ground for revocation pursuant to Section 500-70 (a)(2) of the Illinois Insurance Code (215 ILCS 5/500-70 (a)(2)).

Additionally, by personally paying these premiums the Licensee has demonstrated untrustworthiness and financial irresponsibility in the conduct of business in this State, which are grounds for revocation pursuant to Section 500-70 (a)(8) of the Illinois Insurance Code (215 ILCS 5/500-70 (a)(8)).

C. The Licensee has demonstrated untrustworthiness and financial irresponsibility in the conduct of business in this State by failing to repay loans he obtained from a consumer in the amount of $35,500.00 on August 30, 1996 and $105,000.00 on October 25, 1998.

As repayment for these loans, the Licensee made eight (8) payments totaling $132,778.50 to the consumer between April 10, 1997 and June 17, 1999. To date, the Licensee has failed to return the remaining $7,721.50 to the consumer.

Therefore, the Licensee has failed to repay loans he obtained in his capacity as an insurance producer. The Licensee has thereby demonstrated untrustworthiness and financial irresponsibility in the conduct of business in this State, which are grounds

for revocation pursuant to Section 500-70 (a)(8) of the Illinois Insurance Code (215 ILCS 5/500-70 (a)(8)).

D. The Licensee has demonstrated untrustworthiness in the conduct of business in this state during his employment as a securities dealer. Specifically:

- The Licensee incorporated Lake Forest Financial Group Ltd (LFFG) in October 1998 for the purpose of selling securities and insurance products.

- On January 31, 2000 the Securities and Exchange Commission (SEC) filed a complaint with the United States District Court for the Northern District of Illinois, Eastern Division. In this complaint the SEC alleged that between October 1998 and December 1999 the Licensee induced nineteen investors to provide him with a total of $781,612.71 for the purpose of purchasing various securities. Instead of investing these funds the Licensee used the investor funds to pay personal and business expenses. To conceal the fraud, the Licensee issued fraudulent account statements and repeatedly lied to investors.

- On January 31, 2000 the United States District Court for the Northern District of Illinois, in the case of SEC vs. Thomas V. Conwell entered a Final Judgment of Permanent Injunction and Other Equitable Relief against the License. The Final Judgment ordered the Licensee to make restitutions in the amount of $781,612.71, interest payments in the amount of $38,430.82 and a civil money penalty in the amount of $80,000.00 within ninety days of the entry date of the Final Judgment. The Licensee consented to this Order.

- On July 5, 2000 the State of Illinois, Secretary of State Securities Department issued a Consent Order of Revocation in the name of the Licensee, revoking his registration as a salesperson in the State of Illinois. The Licensee consented to this Order.

The Licensee has entered a settlement agreement with the United States District Court that required him to make restitution payments in excess of $780,000.00 and consented to an order issued by the State of Illinois, Securities Department in which his authority to act as a securities dealer was revoked. The findings stated in these regulatory actions and consented to by the Licensee demonstrate untrustworthiness on the part of the Licensee, which is a ground for revocation pursuant to Section 500-70 (a)(8) of the Illinois Insurance Code (215 ILCS 5/500-70(a)(8)).

This Order of Revocation shall take effect 30 days from the date of mailing but shall be stayed if within the 30-day period a written request for hearing is filed with the Director.

This Order of Revocation shall take effect 30 days from the date of mailing but shall be stayed if within the 30-day period a written request for hearing is filed with the Director. Any correspondence concerning this Order of Revocation shall be addressed to the Department of Insurance, Producer Section, 320 West Washington Street, Springfield, Illinois 62767-0001.

50 Ill. Adm. Code 2402 governs hearings before the Department of Insurance. Section 408(5)(a) of the Illinois Insurance Code (215 ILCS 5/408) and 50 Ill. Adm. Code 2402.270(d) provide that the costs of a hearing may be assessed against the parties.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the Official Seal of the Department of Insurance in the City of Springfield, State of Illinois, this 30th day of April, A.D. 2002.

Nat Shapo

Nathaniel S. Shapo, Director

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