



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of

GARY VAN LANDINGHAM,

Licensee.

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No. D 08-0008

ORDER REVOKING LICENSES

To: Gary Van Landingham
4302 41st St. N.E.
Tacoma, WA 98422

IT IS ORDERED AND YOU ARE HEREBY NOTIFIED that your licenses are REVOKED, effective February 12, 2008, pursuant to RCW 48.17.530 and 48.17.540(2).

THIS ORDER IS BASED ON THE FOLLOWING:

1. Gary Van Landingham is licensed to sell life and disability insurance in Washington.
2. In October, 2005, Mr. Van Landingham sold three Bankers Life and Casualty Company annuities and one Bankers Life and Casualty Company Single Premium Life Insurance policy to Washington residents, Ernest Haney and Coyla Haney. The initial deposit of these four contracts was \$335,009.48. Of this amount, \$77,771.51 was to come from the liquidation of two single premium whole life insurance policies issued to the Haney's by Jackson National Life Insurance Company, \$61,738.84 was to come from the liquidation of a Kemper Investors variable annuity held by the Haney's, and the remainder was to come from liquidation of securities and other investments held by the Haney's.
3. In replacing the Haney's Jackson National Life and Kemper Investors contracts, Mr. Van Landingham did not utilize an Internal Revenue Code §1035 exchange, but instead had the Haney's sign letters surrendering the contracts for their cash surrender value. Mr. Van Landingham represented to the Haney's that they were not eligible to utilize Internal Revenue Code §1035 exchanges, which representation was false. By failing to utilize Internal Revenue Code §1035 exchanges, the Haney's incurred substantial and unnecessary income tax liability and Mr. Van Landingham avoided alerting Jackson National Life, Kemper Investors and Bankers Life and Casualty that replacements were involved.
4. The Haney's Kemper Investors variable annuity that was surrendered had a safe harbor provision that permitted the Haney's to move their money to a fixed account to protect against a down market. Mr. Van Landingham misrepresented this annuity and induced the Haney's to replace it by not telling the Haney's about the safe harbor account.
5. The Haney's Jackson National Life Insurance Company whole life insurance policies that were surrendered, were fully paid up, had no surrender charges, had low mortality costs and were paying a competitive interest rate. Mr. Van Landingham induced the Haney's to surrender these policies for a paid up policy with higher mortality costs and new surrender charges.

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6. In September 2006, Mr. Van Landingham sold the Haneys another Bankers Life Annuity which he represented was tied to the performance of the Standard and Poor's 500 index and had a guaranteed minimum interest rate of 3%. The actual guaranteed minimum interest rate was only 2.15 % of 87.5% of the single premium and the Haneys only participated in 85 % of the Standard and Poor's 500 index.
7. By knowingly making and disseminating false, deceptive and misleading representations in the conduct of the business of insurance, the Licensee violated RCW 48.30.040.
8. By knowingly making false statements or representations in or relative to applications for insurance, the Licensee violated RCW 48.30.210.
9. By making misleading comparisons and misrepresentations to insureds to induce them to lapse or convert existing policies, the Licensee violated RCW 48.30.180.
10. By misrepresenting the terms, benefits, and advantages of policies, the Licensee violated RCW 48.30.090.
11. By failing to obtain, fill out, sign, or submit replacement forms to replacing insurers, the Licensee violated WAC 284-23-440.
12. RCW 48.17.530 provides that: (1) The Commissioner may suspend, revoke, or refuse to issue any license . . . for any cause specified in any other provision of this code, or for any of the following causes:
 - (b) If the licensee . . . willfully violates . . . any provision of this code
 - (e) If the licensee . . . has, with intent to deceive, materially misrepresented the . . . effect of any insurance contract; or has engaged in . . . any fraudulent transaction;
 - (h) If the licensee or applicant has shown himself to be, and is so deemed by the commissioner, incompetent, or untrustworthy, or a source of injury and loss to the public.

By reason of your conduct, you have shown yourself to be, and are so deemed by the Commissioner, untrustworthy and a source of injury and loss to the public and not qualified to be an insurance agent in the State of Washington. Accordingly, your license is revoked pursuant to RCW 48.17.530(1) (b), (e), and (h).

IT IS FURTHER ORDERED that you return your insurance agent's and agency license certificates to the Commissioner on or before the effective date of the revocation of your licenses, as required by RCW 48.17.530(4).

NOTICE CONCERNING YOUR RIGHT TO A HEARING. Please note that a detailed summary of your right to contest this Order is attached. Briefly, if you are aggrieved by this Order, RCW 48.04.010 permits you to demand a hearing. Pursuant to that statute and others: You must demand a hearing, in writing, within 90 days after the date of this Order, which is the day it was mailed to you, or you will waive your right to a hearing. Your demand for a hearing must specify briefly the reasons why you think this Order should be changed. If your demand for a hearing is received by the Commissioner before the effective date of the revocation, then the revocation will be stayed (postponed) pending the hearing, pursuant to RCW 48.04.020. Upon receipt of your demand

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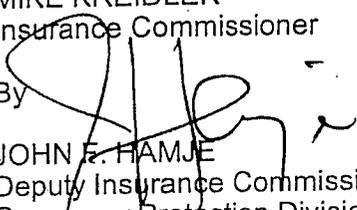
for hearing, you will be contacted by an assistant of the Chief Hearing Officer to schedule a teleconference with you and the Insurance Commissioner's Office to discuss the hearing and the procedures to be followed.

Please send any demand for hearing to Insurance Commissioner, attention John Hamje, Deputy Insurance Commissioner, Office of the Insurance Commissioner, P.O. Box 40257, Olympia, WA 98504-0257.

ENTERED AT TUMWATER, WASHINGTON, this 23rd day of January, 2008.

MIKE KREIDLER
Insurance Commissioner

By

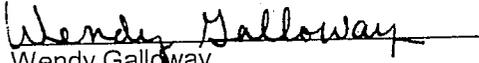

JOHN E. HAMJE
Deputy Insurance Commissioner
Consumer Protection Division

Investigator: Vic Overholt

DECLARATION OF MAILING

I certify under penalty of perjury under the laws of the State of Washington that on the date listed below, I mailed or caused delivery of a true copy of this document to **GARY VAN LANDINGHAM**.

Dated: January 23, 2008
at Tumwater, Washington


Wendy Galloway

NOTICE OF YOUR RIGHT TO A HEARING

You have the right to demand a hearing to contest this Order. During this hearing, you can present your argument that the Order should not have been entered for legal and/or factual reasons and/or to explain the circumstances surrounding the activities which are the subject of this Order. You may be represented by an attorney if you wish, although in some hearings before this agency parties do choose to represent themselves without an attorney.

Your Demand for Hearing should be sent to John F. Hamje, Deputy Insurance Commissioner, Office of the Insurance Commissioner, P.O. Box 40257, Olympia, WA 98504-0257, and must briefly state how you are harmed by this Order and why you disagree with it. You will then be notified both by telephone and in writing of the time and place of your hearing. If you have questions concerning filing a Demand for Hearing or the hearing process, please telephone the Hearings Unit, Office of the Insurance Commissioner, at 360/725-7002.

Your Demand for Hearing must be made within 90 days after the date of this Order, which is the date of mailing, or your Demand will be invalid and this Order will stand. If your Demand for Hearing is received before the effective date of this Order, the penalties contained in the Order will be stayed (postponed) until after your hearing.

It is important to know that if you demand a hearing, you will have two options for how it will be handled:

Option 1: Unless you specifically request Option 2, your hearing will be presided over by an administrative law judge from the Office of the Insurance Commissioner. Under this option, upon receipt of your Demand for Hearing, the Insurance Commissioner may refer the case to an administrative law judge. The administrative law judge is an individual who has not had any involvement with this case. The administrative law judge will hear and make the final decision in the case without any communication, input or review by the Insurance Commissioner or staff or any other individual who has knowledge of the case. This administrative law judge's final decision may uphold or reverse the Commissioner's action or may instead impose any penalties which are less than those contained in the Order.

Option 2: If you elect, your hearing will be presided over by an administrative law judge from the Office of Administrative Hearings. That administrative law judge will issue an initial or recommended decision which will then be sent to the Insurance Commissioner. The Insurance Commissioner, or his designee, will review the initial decision and make the final decision. The Insurance Commissioner's final decision in the case may uphold, reverse or modify the initial decision, thereby changing the penalty which is recommended in the initial decision. In writing the final decision, the Insurance Commissioner is not bound by the findings of facts or conclusions of law which were made in the initial decision.