

1 CALIFORNIA DEPARTMENT OF INSURANCE
LEGAL DIVISION

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7
8 **BEFORE THE INSURANCE COMMISSIONER**
9 **OF THE STATE OF CALIFORNIA**
10

11 In the Matter of the Licenses and Licensing
Rights of

12 Jeremy Wyatt LeClair,

13 Respondent.
14

File No. 13VA00116-AP

OAH No.

ACCUSATION

15 The California Department of Insurance (the Department) alleges:

16 I

17 Respondent Jeremy LeClair (Respondent) was from April 14, 1999 until April 16, 2015¹,
18 the holder of licenses issued by the Insurance Commissioner of the State of California to act as an
19 Accident and Health Agent and Life-Only Agent.

20 II

21 The investigation of the Respondent in this matter was initiated by complaints received
22 regarding another case filed with the Office of Administrative Hearings in Los Angeles, *In the*
23 *Matter of Michelle Kenen Seward*, OAH No. 2014060670. That matter, scheduled for hearing,
24 resolved by stipulated settlement.

25 In that matter, it was alleged that Ms. Seward, through her agencies² and associates such
26 as Respondent, and in her capacity as an insurance agent and claim to be a senior financial

27 _____
28 ¹ Respondent requested and was granted cancellation of his inactive licenses, effective April 16, 2014, which were to
expire April 30, 2015; however, the Department retains jurisdiction under California Insurance Code Section 1743.

² Protégé Financial & Insurance Services Inc., Saxe-Coburg Insurance Solutions LLC, Windsor Pictures LLC.

1 advisor, induced numerous clients to surrender annuities, make bridge loans and otherwise invest
2 millions of dollars in risky investments, such as a film (*Not Forgotten*) and musical (*Twist*), in
3 which she held an interest or was paid substantial commissions. Most of these clients were
4 seniors over the age of 65, relying on the money they invested for their retirements. Some took
5 out home equity loans to invest with Seward based on her guarantees and representations. These
6 victims lost their money and have practically no prospect of even partial restitution.

7 III

8 RANDY SNYDER

9 On June 12, 2012, Randy Snyder (Snyder), a 65 year old retiree, was interviewed
10 regarding his transactions with Respondent.

11 Snyder stated that he and his wife, Jacqlyn, have known Respondent for more than 15
12 years and Respondent was their financial adviser. Snyder stated he had complete confidence in
13 Respondent since Respondent had helped them with their finances during the uncertainties in the
14 market and had given them the best possible advice under the circumstances. Snyder stated he
15 and his wife invested a total of \$847,000.00 in Windsor Pictures LLC (Windsor) through
16 Respondent.

17 Snyder stated he believed that Respondent was still on his own when Respondent started
18 doing the "Lunch & Learn" program in the school district, where Respondent would do short
19 presentations on tax-sheltered annuities during the teacher lunch breaks. Snyder stated he and his
20 wife attended one of Respondent's presentations and were impressed with him so they made an
21 appointment and from then on Respondent became their financial adviser. Snyder stated that as
22 their financial adviser Respondent would contact and meet with them every six months to discuss
23 their investments. Snyder stated he and wife invested in different companies through Respondent
24 and trusted his judgment.

25 Snyder stated that back in December 2011 or early January 2012, Respondent talked to
26 them about Windsor. Snyder stated Respondent stated that Windsor was a very stable investment
27 and that they would receive a 12% return on their investment every year. Snyder stated
28

1 considering the money they were making on their annuities was less than 1%, the 12% return was
2 a very good deal.

3 Snyder stated he had an annuity with Allianz that he had purchased through Respondent,
4 which he surrendered in January 2011 to invest in Windsor. Snyder stated he believed that he
5 incurred a substantial penalty from Allianz, since he only had the Allianz annuity for
6 approximately five (5) years. Snyder stated he could not remember how much the actual dollar
7 penalty was, but he stated it was in the tens of thousands. Snyder stated the cash surrender value
8 was approximately \$167,000.00, which he invested in Windsor.

9 Snyder stated his wife also had an Allianz annuity which was sold by Respondent, but she
10 did not surrender hers. Snyder stated Respondent advised them that it would not make sense for
11 his wife to surrender her annuity, since the benefits she would get from investing with Windsor
12 would not be enough to compensate for the loss she would incur.

13 Snyder stated he and his wife had two (2) annuities from Midland National Life Insurance
14 Company (Midland), which they also surrendered and invested the proceeds in Windsor. Snyder
15 stated he could not remember when they purchased these, also through Respondent, but it was
16 less than five (5) years ago at the time of their interview.

17 Snyder stated these annuities were not making any money so on the recommendation of
18 Respondent, they decided to surrender the Midland annuities to add to their investment with
19 Windsor.

20 Snyder produced (2) statements from Midland showing \$55,725.69 and \$73,795.69 in
21 surrender penalties charged by Midland for early surrender. Snyder stated the cash surrender
22 values of the annuities was approximately \$300,000.00 and \$400,000.00.

23 Snyder stated that Respondent introduced Seward as the CEO of Windsor. Snyder
24 produced a copy of the contracts he signed with Windsor where it had Seward's signature and the
25 title CEO next to her name. Snyder also produced a copy of the bridge loan agreements they had
26 with Windsor, which Seward signed.

27 Snyder stated that Respondent told them that the minimum amount Windsor accepted as
28 an investment was \$100,000.00.

1 \$82,000.00 while J. Heimlich put in \$110,000.00, proceeds from her Great American Life
2 Insurance and Western National Life Insurance (originally under AIG) annuities, which she had
3 for more than ten (10) years.

4 R. Heimlich stated he was quite disappointed with the Allianz annuities because
5 Respondent misrepresented the guaranteed interest earnings. R. Heimlich stated that on his 2011
6 statement, his annuity did not earn any money and stayed flat while J. Heimlich's only made a
7 few hundred. R. Heimlich stated he and J. Heimlich wrote to Allianz to see if they could
8 surrender the annuities, without penalties, since Respondent misrepresented the guaranteed rate
9 on the annuities, but they had not heard back from Allianz.

10 J. Heimlich stated her father had a \$400,000.00 annuity with Western National Life,
11 which he purchased in 2005. J. Heimlich stated they were using the allowed withdrawal on the
12 annuity to pay for her father's nursing home care. J. Heimlich stated Respondent presented
13 Windsor to them as a possible investment. R. Heimlich stated Respondent told them their
14 investment would earn 12% annually for three (3) years.

15 R. Heimlich stated Respondent gave them the names and telephone numbers of others as
16 references. R. Heimlich stated he contacted all of them. J. Heimlich stated they surrendered her
17 father's Western National Life annuity in August 2010 and incurred a surrender penalty of more
18 than \$30,000.00, to invest in Windsor.

19 J. Heimlich stated they told Respondent that they needed the money to pay for her father's
20 care and Respondent reassured them that this was a safe investment and was guaranteed by Saxe-
21 Coburg. J. Heimlich stated they even went to the Windsor office at the Paramount Studios and
22 met Seward. R. Heimlich stated Seward was the one who signed the promissory note on the
23 Windsor investment.

24 J. Heimlich stated she has an adopted sister who is mentally challenged and would share
25 in whatever her father leaves, including the Windsor investment. J. Heimlich stated when her
26 father passed away in January 2011, half of the money they were receiving from Windsor went to
27 pay for her sister's rent. J. Heimlich stated that now that the monthly payments from Windsor
28 have stopped, she has to use her own money to pay for her sister's rent.

1 R. Heimlich and J. Heimlich were asked if they knew Dror Soref, a film director and a
2 managing member of Windsor, and they stated no. R. Heimlich stated they probably saw Soref
3 when they attended the preview performance of the *Twist* musical at the Pasadena Playhouse. J.
4 Heimlich stated they enjoyed the show and they are hoping that the musical goes to Broadway.

5 J. Heimlich stated she emailed Respondent in April 2012 to get a status on the Windsor
6 investment and Respondent replied with a nasty email and put the blame back on her, telling her
7 it was her own decision to invest in the venture.

8 J. Heimlich stated their main concern at this time was to get the money back, even without
9 interest. J. Heimlich stated they also had to pay taxes on the surrendered Western National Life
10 annuity.

11 V

12 CARY MANSFIELD

13 On July 2, 2012, Cary Mansfield (Mansfield) was interviewed regarding his transactions
14 with Respondent.

15 Mansfield stated his spouse worked for the Los Angeles Unified School District and
16 attended a "Lunch & Learn" presentation given by Respondent, sometime in 2008. Mansfield
17 stated Respondent came to their house to discuss the different types of investments available to
18 them, as well as tax-sheltered annuities. Mansfield stated he purchased a \$100,000.00 Allianz
19 annuity while his spouse purchased a \$128,000.00 Midland National and Respondent became
20 their financial advisor after that.

21 Mansfield stated both these annuities were surrendered in November or December 2010,
22 with the proceeds invested in Windsor. Mansfield stated they incurred penalties from the
23 insurance companies when they surrendered the annuities, but the 12% annual return from
24 Windsor was very enticing so they agreed to invest.

25 Mansfield stated he also cashed out his other investments making his total investment with
26 Windsor approximately \$160,000.00. Mansfield stated that they only had a three (3) year
27 commitment with Windsor. Mansfield stated Respondent told them that their money was safe
28

1 with Windsor and was guaranteed by Saxe-Coburg, an insurance agency, owned by Respondent's
2 sister, Michelle Seward.

3 Mansfield stated they started receiving the monthly payments from Windsor, but their
4 accountant advised them that they would be taxed for the money they received so Mansfield
5 stated he told Respondent to roll-over the interest payments toward the principal for both his and
6 his spouse's investment.

7 Mansfield stated his belief that Respondent had nothing to do with what happened to
8 Windsor since he was just one of their agents. Mansfield stated he last spoken with Respondent
9 two weeks prior to the interview when he asked him about the letter he received from Seward's
10 regulatory attorney. Mansfield stated Respondent gave them an assurance that Seward was doing
11 her best to re-pay the investors.

12 VI

13 ANN LICATA

14 On August 1, 2012, Ann Licata, an 84-year-old retiree, was interviewed regarding her
15 transactions with Jeremy Respondent (Respondent). Ann Licata's daughters, Annette Licata and
16 Maddalena Stoddart (M. Stoddart) and her spouse, Craig Stoddart (C. Stoddart) were also present
17 during the interview. They were also investors.

18 M. Stoddart stated she attended a presentation given by Respondent at a "Lunch & Learn"
19 program in the school she was working at in Santa Clarita sometime in 2010. M. Stoddart stated
20 Respondent talked about pension maximization during the presentation. M. Stoddart stated they
21 met with Respondent at their home in Santa Clarita and was sold a life insurance policy and an
22 annuity contract with Southwest by Respondent.

23 M. Stoddart stated Respondent told them the Southwest annuity had guaranteed interest
24 earnings of at least 3%, but it has not made any money since its inception.

25 C. Stoddart stated Respondent also talked about investing in Windsor Pictures, which
26 promised a 12% annual return for a 3-year term. C. Stoddart stated he rolled over his IRA to
27 invest in Windsor. C. Stoddart stated he and his spouse signed an agreement with Windsor,
28

1 which stated that the principal and interest were guaranteed 100% by Saxe-Coburg, which was
2 why they agreed to invest.

3 Asked if they knew Dror Soref, M. Stoddart and C. Stoddart stated they only found out
4 about him after receiving the letters from Seward blaming Soref for what happened with Windsor.
5 Asked if they were aware that Seward was Respondent's sister, they stated no. They stated they
6 had never even met Seward in person.

7 Annette Licata stated her mother, who was already 82 years old when she invested in
8 Windsor, was enticed by the earnings that C. Stoddart's investment was making with Windsor.
9 Ann Licata agreed to invest the money she had in mutual funds amounting to approximately
10 \$123,000.00 with Windsor in May 2011, through Respondent. Annette Licata stated her mother
11 was promised a 10% annual return on her investment for a period of five (5) years.

12 Annette Licata stated her mother also cashed in her investment with Symetra Financial,
13 approximately \$93,800.00, to invest in Windsor sometime in September 2011. Informed that the
14 information the Department received from Windsor did not include the \$93,800.00 that Ann
15 Licata invested later, Annette Licata produced a copy of the agreement Ann Licata and Seward
16 signed dated September 28, 2011. There was also a Promissory Note wherein Seward signed as
17 the CEO of Windsor. Annette Licata provided a copy of these documents to the Department.

18 Annette Licata stated that back in October 2011, they were told by Respondent that there
19 was a problem with Windsor and that everything was frozen, but were assured that their
20 investments were safe. Annette Licata stated Respondent was blaming Soref for paying his
21 friends and relatives first.

22 Annette Licata stated they met with Respondent towards the end of June and were told
23 that Seward was starting a new production company that would help her pay her obligations.

24 Ann Licata stated she invested everything she had. Ann Licata stated she only relied on
25 her Social Security benefits and a little bit of retirement. She stated all she wanted was for her
26 money to be returned, even if it was without the interest it should have earned.

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VII

The matters hereinabove set forth in Paragraphs II through VI show that Respondent is in violation of California Insurance Code section 781 and subject to the provisions of Sections 782 and 783.

VIII

The matters hereinabove set forth in Paragraphs II through VI show that Respondent is in violation of the provisions California Insurance Code sections 785(a) and (b), 787, 787.1, 789 and 789.3.

IX

The matters hereinabove set forth in Paragraphs II through VI show that Respondent is in violation of California Insurance Code section 789.8.

X

The facts alleged above in Paragraphs II through VI show that it is not in the public interest for Respondent to continue holding her insurance licenses, pursuant to Sections 1668(b) and 1738 of the California Insurance Code.

XI

The facts alleged above in Paragraphs II through VI show that Respondent does not intend actively and in good faith to carry on as a business with the general public transactions for which he is licensed, pursuant to Sections 1668(c) and 1738 of the California Insurance Code.

XII

The facts alleged above in Paragraphs II through VI show that Respondent is not of good business reputation, pursuant to Sections 1668(d) and 1738 of the California Insurance Code.

XIII

The facts alleged above in Paragraphs II through VI show that Respondent lacks integrity, pursuant to Sections 1668(e) and 1738 of the California Insurance Code.

XIV

The facts alleged above in Paragraphs II through VI show that Respondent has engaged in a fraudulent practice or act and conducted business in a dishonest manner and constitute grounds

1 for the Insurance Commissioner to suspend or revoke Respondent's licenses and licensing rights
2 pursuant to the provisions of Sections 1668(i) and 1738 of the California Insurance Code.

3 XV

4 The facts alleged above in Paragraphs II through VI show that Respondent has shown
5 incompetency or untrustworthiness in the conduct of any business, or has by commission of a
6 wrongful act or practice in the course of any business exposed the public or those dealing with
7 him to the danger of loss and constitute grounds for the Insurance Commissioner to suspend or
8 revoke Respondent's licenses and licensing rights pursuant to the provisions of Sections 1668(j)
9 and 1738 of the California Insurance Code.

10 XVI

11 The facts alleged above in Paragraphs II through VI show that Respondent violated
12 California Insurance Code section 1668(k) and 1738 when he misrepresented the terms of an
13 insurance policy contract.

14 XVII

15 The facts alleged above in Paragraphs II through VI show that Respondent failed to
16 perform a duty expressly enjoined upon him by a provision of the Code or has committed an act
17 expressly forbidden by such provision, pursuant to Sections 1668(l) and 1738 of the California
18 Insurance Code.

19 XVIII

20 The facts alleged above in Paragraphs II through VI show that Respondent aided or
21 abetted any person in an act or omission which would suspend, revoke that person's license under
22 the Code, pursuant to Sections 1668(n) and 1738 of the California Insurance Code.

23 XIX

24 The facts alleged above in Paragraphs II through VI show that Respondent has permitted
25 any person in his employ to violate any provision of the Code, pursuant to Sections 1668(o) and
26 1738 of the California Insurance Code.

27 XX

28 The facts alleged above in Paragraphs II through VI show that Respondent violated any

1 provision of law relating to conduct of business which could be lawfully be done only under
2 authority conferred by such license, pursuant to Sections 1668(p) and 1738 of the California
3 Insurance Code.

4 XXI

5 The facts alleged above in Paragraphs II through VI show that Respondent is in violation of
6 California Insurance Code section 1668.1(a).

7 XXII

8 The facts alleged above in Paragraphs II through VI show that Respondent is in violation of
9 California Insurance Code section 10509.4 and subject to the provisions of Sections 10509.8 and
10 10509.9.

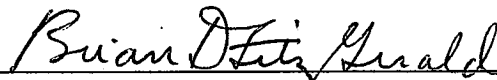
11
12 PRAYER

13 For the reasons set forth herein, Respondent's licenses and licensing rights should be
14 permanently revoked so he may not return to transacting insurance in the State of California.

15
16 Dated: July 9, 2015

CALIFORNIA DEPARTMENT OF INSURANCE

17
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19 By



20 Brian D. FitzGerald
21 Attorney for the Department
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