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**STATE OF ARIZONA**

**DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS**

In the Matter of:

**COX, CHRISTOPHER SPENCE**

(National Producer No. 718551)

Respondent.

**No. 23A-071-INS**

**CONSENT ORDER**

The Arizona Department of Insurance and Financial Institutions (“Department”) has received evidence that Christopher Spence Cox (“Respondent”) violated provisions of Arizona Revised Statutes (“A.R.S.”) Title 20. Respondent wishes to resolve this matter without the commencement of formal proceedings, and admits the following Findings of Fact are true, and consents to the entry of the following Conclusions of Law and Order.

**FINDINGS OF FACT**

1. Respondent was at all material times licensed as an Arizona resident insurance producer, National Producer Number 718551 with lines of authority in life and accident and health or sickens insurance. The Department first licensed Respondent on September 21, 2007. Respondent’s license is scheduled to expire on August 31, 2027.

2. Respondent’s addresses of record with the Department are as follows: c/o Cornerstone Retirement Resources 1846 East Innovation Park Drive, Oro Valley, Arizona 85755-1963 (business); 10371 North Oracle Road, Oro Valley, Arizona 85737-9392 (mailing); and [chris@cormenrstoneazrr.com](mailto:chris@cormenrstoneazrr.com) (e-mail).

1           3.     On or about August 28, 2023, the Department received a correspondence from  
2 the Arizona Corporation Commission (“Corporation Commission”) notifying the  
3 Department of the Opinion and Order (“Order”) issued by the Arizona Corporation  
4 Commission against Respondent.

5           4.     The Department commenced an investigation into this matter. The  
6 investigation revealed the following:

- 7           a) On or about December 2, 2020, the Corporation Commission issued an Order  
8 against Respondent finding, *inter alia*, that Respondent was jointly and  
9 severally liable as a control person of Smith & Cox, LLC when William Smith  
10 and Smith & Cox, LLC “committed fraud in the offer and sales of securities.”  
11           b) On or about June 29, 2021, Respondent appealed the Order in the Maricopa  
12 County Superior Court (“Superior Court”), Case No. LC2020-000322-001.  
13           c) On or about December 22, 2021, the Superior Court Affirmed as Modified &  
14 Remanded the Corporation Commission’s Order. The Superior Court  
15 modified the Corporation Commission’s Order with respect to the amount of  
16 the restitution owned by Respondent which was lowered from \$2,574,103.38  
17 to \$2,510,056.15. The Superior Court affirmed the Order “in all other  
18 respects” and remanded the matter to the Corporation Commission for further  
19 proceedings, as appropriate. The Supreme Court made findings that  
20 Respondent had a complementary role during client meetings where pension  
21 stream funds were presented, along with insurance products. Testimony at the  
22 hearing showed that Respondent played an important role in winning over the

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trust and confidence of potential investors, even if he was not directly selling unregistered investment products.

**CONCLUSIONS OF LAW**

5. The Director has jurisdiction over this matter.

6. Respondent's conduct, as described above, constitutes a violation of Title 20 or any rule, subpoena or order of the Director. A.R.S. § 20-295(A)(2).

7. Respondent's conduct, as described above, demonstrates incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere. A.R.S. § 20-295(A)(8).

8. Grounds exist for the Director to deny, suspend for not more than twelve months, revoke or refuse to renew Respondent's insurance producer license. A.R.S. § 20-295.

9. Grounds exist, in addition to or instead of any suspension or revocation for the Director to impose a civil penalty of not more than \$250.00 for each unintentional failure or violation up to an aggregate civil penalty of \$2,500.00, or impose a civil penalty of not more than \$2,500.00 for each intentional failure or violation, up to an aggregate civil penalty of \$15,000.00. A.R.S. § 20-295(F).

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**ORDER**

**IT IS HEREBY ORDERED THAT:**

10. Christopher Spence Cox shall immediately pay to the Department a civil money penalty in the amount of two thousand five hundred dollars (\$2,500.00).

11. Christopher Spence Cox shall comply with any outstanding restitution order related to the Arizona Corporation Commission Decision No. 77747 as amended by the Superior Court of Arizona Maricopa County in the Order dated December 21, 2021, Case number LC2020-000322-001 DT.

Effective this 22<sup>nd</sup> day of January, 2024.

*Barbara D. Richardson*

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Barbara D. Richardson  
Cabinet Executive Officer  
Executive Deputy Director  
Arizona Department of Insurance and Financial Institutions

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**CONSENT TO ORDER**

1. Respondent acknowledges that it has been served with a copy of the foregoing Consent Order in the above-referenced matter, has read it, is aware of its right to an administrative hearing in this matter and has knowingly and voluntarily waived that right.

2. Respondent accepts the personal and subject matter jurisdiction of the Department over it in this matter.

3. Respondent acknowledges that no promise of any kind or nature has been made to induce it to sign the Consent to Order and it has done so knowingly and voluntarily.

4. Respondent acknowledges and agrees that the acceptance of this Consent to Order by the Director is solely to settle this matter and does not preclude the Department from instituting other proceedings as may be appropriate now or in the future. Furthermore, and notwithstanding any language in this Consent Order, this Consent Order does not preclude in any way any other state agency or officer or political subdivision of this state from instituting proceedings, investigating claims, or taking legal action as may be appropriate now or in the future relating to this matter or other matters concerning Respondent, including but not limited to violations of Arizona’s Consumer Fraud Act. Respondent acknowledges that, other than with respect to the Department, this Consent Order makes no representations, implied or otherwise, about the views or intended actions of any other state agency or officer or political subdivision of the state relating to this matter or other matters concerning Respondent.

1           5.       Respondent waives all rights to seek an administrative or judicial review or  
2 otherwise to challenge or contest the validity of this Consent Order and its accompanying  
3 parts before any court of competent jurisdiction.

4           6.       Respondent acknowledges that this Consent Order is an administrative action  
5 that the Department will report to the National Association of Insurance Commissioners  
6 (NAIC). Respondent further acknowledges that it must report this administrative action to  
7 any and all states in which Respondent holds an insurance license and must disclose this  
8 administrative action on any license application.

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4/5/2024  
DATE

Christopher S. Cox  
**CHRISTOPHER SPENCE COX**  
(NATIONAL PRODUCER NO. 718551)

1 **COPY** of the foregoing delivered via email  
this 23<sup>rd</sup> day of January, 2024, to:

2 Mark D. Chester, Esq.  
3 Chester Law, PLLC  
mchester@mdclawyers.com  
4 Attorney for Respondent

5 **COPY** of the foregoing delivered/emailed same date, to:

6 Deian Ousounov, Assistant Director  
7 Gio Espinosa, Regulatory Legal Affairs Officer  
8 Ana Starcevic, Paralegal Project Specialist  
9 Cathy O'Neil, Consumer Regulatory Affairs Officer  
10 Steven Fromholtz, Division Manager, Licensing  
11 Linda Lutz, Legal Assistant, Licensing  
12 Aqueelah Currie, Licensing Supervisor  
13 Arizona Department of Insurance and Financial Institutions  
14 100 North 15th Avenue, Suite 261  
15 Phoenix, Arizona 85007-2630

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*Ana Starcevic*  
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