

State of Rhode Island and Providence Plantations
DEPARTMENT OF BUSINESS REGULATION
Insurance Division
1511 Pontiac Avenue, Bldg. 69-2
Cranston, Rhode Island 02920

IN THE MATTER OF:

CITIZENS SECURITIES, INC.

NPN. 2331530

RESPONDENT.

CONSENT AGREEMENT

It is hereby agreed between the Department of Business Regulation (“Department”) and Citizens Securities, Inc. (“CSI” or the “Firm”) as follows:

1. Citizens Securities, Inc. has been a licensed insurance producer in the State of Rhode Island since 1998. CSI is licensed as a business entity with the life, accident and health and variable lines of authority.

2. On June 6, 2016, CSI submitted an electronic renewal application to renew its insurance producer license, to be effective for May 31, 2016.

3. In the June 6, 2016 renewal, CSI responded “yes” to question 2 in its license renewal, which reads:

“Has the business entity or any owner, partner, officer or director of the business entity, or manager or member of a limited liability company, been named or involved as a party in an administrative proceeding, including a FINRA sanction or arbitration proceeding regarding any professional or occupational license, or registration, which has not been previously reported to this insurance department?”

4. On June 7, 2016 CSI contacted the Department and requested to expedite that renewal. That day the Department asked CSI whether they had any additional disclosures to be made in response to question

2 since their last renewal. CSI's then Deputy Chief Compliance Officer responded that they were not aware of any additional disclosures that should be made.

5. On or before November 28, 2016, CSI uploaded a number of documents to the National Insurance Producer Registry. Those documents disclosed administrative actions against affiliates of CSI and a criminal action taken against a former affiliate of CSI that had not previously been disclosed.

6. CSI has briefed the Department regarding a number of internal improvements at CSI that should prevent lapses in disclosure in the future.

7. The Department has verified that subsequent required disclosures have been made appropriately over the last several months.

8. R.I. Gen. Laws § 27-2.4-8(a) states that “[a]n insurance producer shall report to the insurance commissioner any administrative action taken against the insurance producer in another jurisdiction or by another governmental agency in this state within thirty (30) days of the final disposition of the matter. This report shall include a copy of the order, consent to order or other relevant legal documents.”

9. R.I. Gen. Laws § 27-2.4-8(b) states that “[w]ithin thirty (30) days of the initial pre-hearing date, an insurance producer shall report to the insurance commissioner any criminal prosecution of the insurance producer taken in any jurisdiction. The report shall include a copy of the initial complaint filed, the order resulting from the hearing and any other relevant legal documents.”

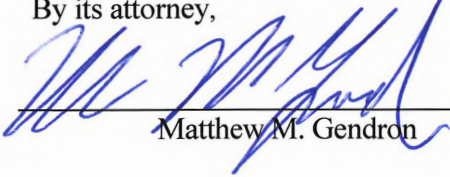
10. R.I. Gen. Laws § 42-14-16 authorizes the Department to levy administrative penalties for violations of Title 27.

THEREFORE, based on the foregoing, Respondent and the Department have decided to resolve this matter without further administrative proceedings and hereby agree to the following resolution:

1. Respondent acknowledges that it has an obligation to provide accurate and up-to-date information to the Department.
2. Respondent has installed new leadership in its Compliance Department and has taken several steps to ensure that reportable events will be reported to the Department promptly in the future.
3. Respondent has implemented a new system to ensure that all license applications and renewals will be filed in a timely manner.
4. Respondent will pay a fine of five thousand dollars (\$5,000) within 30 days.

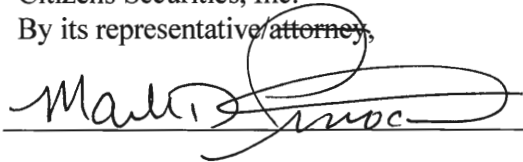
Counsel for the Department and Respondent hereby consent and agree to the foregoing on behalf of their respective clients the 16th day of March, 2017.

Department of Business Regulation
By its attorney,



Matthew M. Gendron

Citizens Securities, Inc.
By its representative/attorney,



Matthew M. Gendron