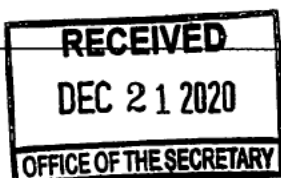


Shad Nhebi Clayton  
[REDACTED]

West Des Moines, IA [REDACTED]  
[REDACTED]



11/18/2020

CRD # 4637068

FINRA CASE#2011026691701

I am writing this letter to request for the SEC hear my appeal and lift the permanent bar placed on me over 9 years ago by FINRA for a failure to respond under (Rule 9552h). My justification for this request is based on the existence of several extenuating circumstances beyond my control. Due to these factors, I had been completely unaware of all attempts by FINRA to contact me regarding this request. In fact, I was completely unaware of its existence until late summer 2017. This is supported by certified legal documentation from the state of Iowa which I have attached for your review. Furthermore, It so happens that the details within this documentation provide a timeline of events that sync with, and support the points that I will make for the hearing of my appeal. After a review of these facts, supporting documentation, as well as consideration for the extraordinary set of circumstances that transpired, It is my firm belief that no reasonable individual could provide justifiable cause to deny the hearing of my appeal, nor valid reason for continuation of the bar. The circumstances that led to the request for information by FINRA were set in motion several months prior. Starting in 2010, I was amid a separation and bitter with divorce my now ex wife. This was timeframe was without a doubt the lowest and darkest period of my life. [REDACTED]

[REDACTED] The absence of steady employment led to the accumulation of an arrearage on my monthly child support obligation. That initiated the State of Iowa's proceedings as required by Iowa law. Per Iowa code, you are considered out of compliance when support arrearages above a certain amount occur. However, I had not been selling insurance with PFS since 2009(supported in reinstatement letter) and had no contact with my regional VP. In addition, due to the unamicable situation between my then wife and I, It was agreed that I would refrain from occupying or entering my primary residence at [REDACTED] Des Moines Iowa. I was totally at her mercy regarding anything at the residence. This was my official address of record used in all attempts made by the State of Iowa and FINRA to initiate correspondence. During this time, I had no choice but to resort to staying with friends, family, in hotels and some nights even my car. [REDACTED]

[REDACTED] it honestly never occurred to me to update my U4 or notify FINRA and I take full responsibility for that. I can assure you that I had no idea of FINRA's request, nor the license sanction imposed by the state of Iowa or I would have immediately conducted myself accordingly. Especially for the fact that I had always hoped to one day return to the industry. FINRA did attempt other addresses

per the attached documents. However, those addresses were not current or valid as they were from 7 and 9 years prior to 2011 respectively. In 2017, I returned to PFS and went to apply for my insurance license. It was at this time I was made aware of the Iowa sanction, as well as FINRA's in the attached State of Iowa reinstatement letter references the FINRA action. The document lays out a timeline in section two that supports everything above. Upon my application for reinstatement, my license was immediately reissued without prejudice. The issue of back child support had been long since taken care of upon securing employment in late 2011. Again, considering that I had always intended to leave the door open for a return to the industry in the future, it is completely illogical to conclude I would not have handled the state of Iowa sanction in 2011 immediately upon securing employment paying the obligation which put me in compliance. Again, reinforcing that I had not been aware of its existence. In closing, I ask that you consider these points. Beginning with the length of time past since bar has been imposed. Next, the circumstances during timeframe of the request. Also, the fact that even though I was in compliance with Iowa law by paying my support in the summer of 2011, I did not provide notification to the insurance division until 2017 upon attempting to return to the industry. This again supports that I was unaware of the suspension and provides plausibility for the assumption I also had no knowledge of FINRA's bar nor the preceding attempts at notification being that the correspondence for both were being sent to the same address during the same time period at [REDACTED]. Lastly, the lifting of this bar poses absolutely no danger to the public nor has an element requiring supervision. I have broken no laws, violated no standards of ethical conduct or breach of trust. In contrast, violations of each of these standards have been committed by individuals who have been allowed appeal and been granted second opportunities. It is in the light of that perspective, with comparison to the facts, documentation, and circumstances surrounding my case that I respectfully ask for my appeal to be heard and for the bar to be lifted.

Respectfully



Shad Clayton

RECEIVED  
DEC 21 2020  
OFFICE OF THE SECRETARY

FILED  
SEP 07 2017  
COMMISSION OF INSURANCE  
INSURANCE DIVISION OF IOWA

BEFORE THE IOWA INSURANCE COMMISSIONER

IN THE MATTER OF	)	Division Case No. 68943
	)	
SHAD N. CLAYTON,	)	<b>ORDER FOR REISSUANCE</b>
NPN 7146247,	)	<b>AFTER LICENSE SUSPENSION AND</b>
DOB 08/05/XXXX,	)	<b>EXPIRATION</b>
Respondent	)	

Pursuant to Iowa Code Chapter 522B—Licensing of Insurance Producers and Iowa Administrative Code Chapter 10, this matter comes before the Commissioner of Insurance upon an application by Shad Clayton for reissuance of an Iowa insurance producer license.

**I. PARTIES AND JURISDICTION**

1. The Commissioner of Insurance, Doug Ommen, directly and through his designees, administers and enforces Iowa Code Chapter 522B—Licensing of Insurance Producers and Iowa Administrative Code Chapter 10, pursuant to Iowa Code § 505.8.
2. Shad Clayton (“Applicant”) is an individual with a last known mailing address of [REDACTED] [REDACTED] West Des Moines, IA [REDACTED] and a National Producer Number of 17335627.
3. Applicant has filed an application with the Iowa Insurance Division (“Division”) for reissuance of his Iowa insurance producer license and filed an application through the National Insurance Producer Registry (NIPR) for individual producer license.
4. The Commissioner is authorized to issue this order pursuant to Iowa Administrative Code rule 191—10.10.

**II. FINDINGS OF FACT**

5. Applicant was previously licensed as a resident insurance producer in Iowa from April 15, 2002 until December 23, 2010.

6. On September 8, 2010, the Division received a certificate of noncompliance from the Iowa Department of Revenue (“Certificate of Noncompliance”) indicating that Applicant was not in compliance with a qualifying debt being enforced by the Iowa Department of Revenue (“IDR”).
7. On September 13, 2010, the Division mailed Applicant notification of the intent to suspend his insurance producer license if the IDR did not issue a withdrawal of the Certificate of Noncompliance within sixty days.
8. On December 23, 2010, the Division issued an order immediately suspending Applicant’s Iowa insurance producer license (“Suspension Order”). Applicant was also notified by letter that the reinstatement of his Iowa insurance producer license was contingent upon the IDR issuing a withdrawal of the Certificate of Noncompliance and meeting the Division’s requirements for reinstatement.
9. On January 24, 2011, the Financial Industry Regulatory Authority (FINRA) became aware of the Suspension Order and issued its own order suspending Applicant’s investment company products/variable contracts representative and securities agent registrations, and notified Applicant that he must request termination of his suspension within three months or his registrations would be terminated and he would be barred.
10. On September 6, 2011, Applicant’s investment company products/variable contracts representative and securities agent registrations were terminated for failing to request a termination of his suspension within three months. Additionally, Applicant was barred from associating with any FINRA member in any capacity.
11. On August 31, 2011, Applicant’s Iowa insurance producer license expired.

12. On August 29, 2017, the IDR issued a notice of withdrawal of the Certificate of Noncompliance for Applicant.
13. On August 24, 2017, Applicant applied for a resident insurance producer license with the Division by submitting through NIPR a Uniform Application for Individual Insurance Producer License (“Uniform Application”). Applicant did not apply for variable lines licensure.
14. On September 6, 2017, Applicant filed an Iowa insurance producer application for reissuance (“Reissuance Application”), which included a statement that the qualifying debt is being paid by agreement between Applicant and IDR and the reason for the noncompliance is no longer at issue.

### **III. CONCLUSIONS OF LAW**

15. Iowa Code § 522B.11(1) authorizes a range of disciplinary actions for insurance producers, including suspensions.
16. Iowa Administrative Code 191—10.10(6) provides that when a suspension of a producer’s license extends beyond the license expiration date, the license terminates on the license expiration date.
17. Iowa Administrative Code 191—10.9(1) provides that a resident producer who fails to receive a reinstatement of an expired license within 12 months of the license expiration date must apply for a new license.
18. Applicant is in compliance with the terms of the Suspension Order and has submitted a Reissuance Application.
19. Applicant has met his burden of establishing that the basis for the suspension, his noncompliance with the IDR, no longer exists.
20. Applicant should be issued a new resident insurance producer license.

**IV. ORDER**

**IT IS THEREFORE ORDERED** that:

- A. Shad N. Clayton's Reissuance Application is granted and the administrative suspension block is removed from his Iowa licensing record;
- B. Shad N. Clayton's Uniform Application for Individual License Registration is approved;
- C. Shad N. Clayton shall immediately be permitted to transact and participate in the business of insurance in Iowa.


Dated this TH day of September, 2017.

COMMISSIONER OF INSURANCE



Douglas M. Ommen  
Commissioner of Insurance

Submitted by,

  
Dustin J. DeGroot  
Compliance Attorney

9/7/17  
Date

CERTIFICATE OF SERVICE

County of Polk            )  
                                  )  
State of Iowa            )

The undersigned affiant certifies under penalty of perjury that she has entered the above order into the records of the Iowa Commissioner of Insurance and on the 8<sup>th</sup> day of September, 2017, the foregoing order was delivered to the United States Postal Service, postage prepaid, for first class mail to:

Shad N. Clayton  
[REDACTED]  
West Des Moines, IA [REDACTED]

I further certify that the foregoing order was sent by email to:

[REDACTED]

  
\_\_\_\_\_  
Tammi L. Green  
Iowa Insurance Division



**VIA FEDEX OVERNIGHT DELIVERY AND FIRST CLASS MAIL**

September 6, 2011

Shad Nhebi Clayton

[REDACTED]  
Des Moines, IA [REDACTED]

Shad Nhebi Clayton

[REDACTED]  
Urbandale, IA [REDACTED]

Shad Nhebi Clayton

[REDACTED]  
Pleasant Hill, IA [REDACTED]

Re: Bar from Association with any FINRA member (FINRA Rule 9552)  
Shad Nhebi Clayton, CRD No. 4637068  
Matter No. 20110266917-01

Dear Mr. Clayton:

Please be advised that, pursuant to FINRA Rule 9552(h) and, in accordance with FINRA's Notice of Suspension letter dated June 2, 2011 and the Suspension from Association letter dated June 27, 2011, you were barred from associating with any FINRA member in any capacity on September 6, 2011.

If you seek to appeal this regulatory action to the U.S. Securities and Exchange Commission (SEC), you must file an application with the SEC at the address listed below. To comply with the SEC's rule regarding timeliness, you must file the application for review within thirty days of your receipt of this letter. Also, a copy of the application, as well as copies of all documents you file with the SEC in connection with this matter, must be sent to FINRA. The SEC and FINRA addresses are as follows:

Office of the Secretary  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Mail Stop 1090  
Washington, DC 20549

Alan Lawhead, Esq.  
Office of General Counsel  
FINRA  
1735 K Street, NW  
Washington, DC 20006

Any documents provided to the SEC via facsimile or overnight mail should also be provided to FINRA by similar means.



Shad Nhebi Clayton

September 6, 2011


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If you file an application for review with the SEC, the application must identify the FINRA case number and set forth in summary form a brief statement of alleged errors in the determination and the supporting reasons. You must also include an address where you may be served and phone number where you may be reached during business hours. If your address or phone number changes, you must advise the SEC and FINRA. Attorneys must file a notice of appearance.

*Based upon the advice of the U.S. Postal Service and law enforcement authorities, FINRA and its family of companies will no longer open or accept any mail (envelopes or packages) that does not have complete return names and addresses. Please be sure when sending mail to FINRA that your information is fully and appropriately labeled.*

Questions regarding the appeal process may be directed to the Office of the Secretary at the SEC. The phone number of that office is (202) 551-5400.

Very truly yours,



Jill L. Jablonow  
Senior Regional Counsel

cc: Joel T. Kornfeld, Senior Regional Counsel  
R. Scott DeArme, District Director (District 4 – Kansas City)